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West German Chancellor Helmut Schmidt clenches fist in victory as he speaks with Hamburg Mayor Hans-Ulrich Klose yesterday after Social Democrats gained in legislature elections.

Free Democrats Are Voted Out Of 2 German State Legislatures

BOHN, June 5 (UPI) — The Free Democratic Party of Foreign Minister Hans-Dietrich Genscher was voted yesterday from two state legislatures in elections.

In Lower-Saxony, the Free Democrats' share of the vote dropped to 12 percent from 7 percent. In Hamburg, the party polled 4.8 percent of the vote against 10.9 percent in the last such balloting four years ago.

Emerging as the big winner from the Hamburg voting were the Social Democrats of Chancellor Helmut Schmidt, with 51.5 percent of the vote, up from 44.9 percent in 1974.

The share of the opposition Christian Democrats eased to 37.6 percent from 40.6 percent. In Lower-Saxony, a farming state, the Christian Democrats emerged as the strongest party, polling 37 percent against 48.8 percent four years ago. The Social Democrats' share eased fractionally to 22 percent from 23.1 percent in 1974.

Seats Denied
The Free Democrats were thrown out of the Hamburg Lower-Saxony state legislature. According to German electoral law, a party must poll at least 5 percent to gain seats in the legislature.

Mr. Genscher said last night that his party felt "deep concern" over the outcome. His liberal Free Democrats form a coalition in the federal government with Mr. Schmidt's Social Democrats. And a Free Democrat, Werner Maihofer, fills a key post in the Bonn coalition as minister of the interior.

Mr. Maihofer has been criticized for the mistakes of police in the kidnapping case of industrialist Hans-Martin Schleyer.

Resignation Demanded
In addition, 10 Social Democrat members of parliament have demanded Mr. Maihofer's resignation because of the Federal Protection Force, which is under the minister's authority, had been carrying out unauthorized air checks into leftist newspapers' magazines.

The latest to come under fire was Jürgen Baumann, the Free Democrat.

U.S. Suit Claims Genetic Damage In Moscow Job
SEATTLE, June 5 (UPI) — A \$1.75 million suit has been filed against the U.S. government by a father who claims his son's birth defects were caused by the father's exposure to microwaves at the U.S. Embassy in Moscow. It was disclosed yesterday.

The Seattle man, who has asked that his name not be disclosed, was Marine Corps security guard at the embassy when he allegedly was exposed to the microwaves.

Attorney Charles Peery said the claim was filed because the State Department knew about the possible genetic damage to embassy personnel but did not warn them. Mr. Peery said that other embassy personnel have reported giving birth to deformed children.

The boy, now 5 years old, was born with hydrocephalus — water on the brain — after his father left Moscow in 1972. The father is still in the Marine Corps. Mr. Peery

ROME, June 5 (UPI) — Authorities today formally accused six members of the Red Brigades urban guerrilla gang of planning and carrying out the kidnapping and assassination of former Premier Aldo Moro.

Five of the accused are in custody. The sixth has been sought by police since 1972 in connection with Red Brigades crimes.

The charges were filed by senior magistrate Achille Gualucci, who has been leading the Moro investigation. Charged with conspiring to kidnap Mr. Moro, multiple homicide and the killing of Mr. Moro were Enrico Triaca, 30, Teodoro Spadaccini, Giovanni Lugini, Antonio Marini, Gabriella Mariani and Mario Moretti, 32.

All except Mr. Moretti were arrested May 17 when police raided a Rome print shop that had prepared Red Brigades leaflets. Mr. Moretti was identified by those arrested as the print shop's contact with the gang's central organization.

First Charges
The charges were the first against members of the Red Brigades since the Moro killing.

Mr. Moro, who was leader of the ruling Christian Democratic Party and prime candidate for presidency this year, was kidnapped in Rome on March 16 in an ambush in which his five police bodyguards were slain.

His bullet-riddled body was found in central Rome May 9 after the government refused Red Brigades demands to release 13 prisoners in exchange for Mr. Moro's life.

The charges were filed after Italian newspapers quoted investigation sources as saying that new evidence had been uncovered in the Moro killing.

At the time of the raid on the print shop, police said that Mr. Tri-



Enrico Triaca after his arrest in Rome last month.

aca had rented and operated the office with 30 million lire (\$34,500) supplied by Mr. Moretti from the Red Brigades operations fund.

Implicated as Leader
Police sources said that ques-

tioning of Mr. Triaca and other evidence in the case indicated that Mr. Moretti, a former Milan electronics technician, was the Rime chief and paymaster of the terrorists.

Mr. Moretti was charged in 1972 with carrying out an armed robbery

with Red Brigades founder Renato Curcio, 37.

Mr. Curcio and 14 other Red Brigades members are on trial in Turin on terrorism charges not directly connected with the Moro case.

Meanwhile, bombs exploded in two towns near Rome today.

A time bomb in an automobile showroom in the mountain resort town of Tivoli, 15 miles east of Rome, caused serious damage to an Alfa Romeo dealership and shattered windows in a public prosecutor's office above the showroom.

The bombing was the third attack on Alfa Romeo since Friday.

Other Attacks

On Friday and Saturday saboteurs tried to saw down a large metal tower carrying high-tension electrical lines to the main Alfa Romeo factory north of Milan.

The company has been involved in a labor dispute concerning overtime for Saturday work.

An attempt to bomb an Alfa Romeo dealership in the village of Lonigo near the northern town of Vicenza failed when the bomb failed to go off. In Ostia, south of Rome, an automobile belonging to a national police officer was damaged by a firebomb, police said.

In Turin, the defense today opened its case in the Red Brigades terrorist trial, accusing the chief prosecution witness of lying and exaggeration.

Defense attorney Giuseppe Ravasio, representing one of the 15 jailed Red Brigades members, attacked the credibility of prosecution witness Silvano Girotto, a former friar and South American terrorist who infiltrated the gang for Italian authorities.

Calling Mr. Girotto a "vile and dirty Judas," Mr. Ravasio said that his testimony for the prosecution was "exaggerated, slanted and invented."

The defense opened its case on the 44th day of the trial, after chief prosecutor Luigi Moschetti on Friday called for 15-year jail sentences for the top Red Brigades leaders.

Five Western Nations Open Talks on Zaire in Paris

By Joseph Fitchett

PARIS, JUNE 5 (IHT) — Five Western nations' representatives met today to work out a joint approach to the military and economic problems of Zaire — perceived in Western capitals as a test case of resistance to Soviet- and Cuban-backed activities in Africa. The closely guarded talks extended beyond the original timetable to include a working dinner as thousands of French Communists marched in protest in Paris.

The talks, attended by representatives of the United States, France, Belgium, Britain and West Germany, were described as a preparatory session for a meeting next week in Brussels, where they will expand to include Saudi Arabia and several other financial benefactors. The International Monetary Fund and Zaire.

N.Y. Stocks Up

NEW YORK, June 5 (IHT) — Cash-heavy institutions returned to Wall Street in force today to push prices sharply and broadly higher in active trading on the New York Stock Exchange.

(See story page 9.)

Africa Prospects Drawing Businessmen From Afar

By David Lamb

NAIROBI, June 5 — You can spot the losers at the airport, packing in tight circles, glancing at their watches, glaring at the long, stalled lines at the unattended immigration counter, knowing that valuable time is being lost.

They step off jets from the United States and Europe, wearing three-piece suits and brittle smiles, carrying briefcases and feelings of superiority. They are businessmen, and they think that cracking the increasingly lucrative African market will be a simple matter.

But unlike many — perhaps most — of their colleagues, they are

fated to succumb rather than conquer, because they cling to the notion that a businessman in Africa can operate just as he would in New York or London.

The first rule of doing business in Africa is that there are no rules. The second is that one works around the system, not within it. And the third is that African time is imprecise and ill-defined. Noon, for example, is considered to be anything between 10 a.m. and 2 p.m.

If you want to meet a government minister, the last thing you do

(Continued on Page 2, Col. 7)

U.S. Expanding Chemical Warfare Efforts
Russia Reportedly Used Agents To Influence Nixon on Nerve Gas

WASHINGTON, June 5 (NYT) — The Soviet Union attempted to influence then-President Richard Nixon in 1969 to halt chemical and biological weapons development by transmitting information through double agents working for the Federal Bureau of Investigation, according to U.S. intelligence officials.

The aim of the agents' messages was to persuade Mr. Nixon that if the United States continued its buildup of chemical weapons, especially nerve gas, the Soviet Union would be compelled to start a "crash program" to match U.S. capabilities, the officials said.

In effect, it was an invitation to mutual restraint in the field of chemical weapons, an intelligence official remarked.

The double agents' information was conveyed personally to Mr. Nixon by the late J. Edgar Hoover, who was then director of the FBI and who enjoyed unusual confi-

dence of the president, the officials reported.

The disclosure by the intelligence officials comes at a time when new disputes have arisen in the U.S. intelligence community over the value and validity of information acquired from Soviet defectors and double agents, and the degree to which they may have influenced U.S. policy-making in the past.

No Recollection

In the case of the double agents' contribution on chemical weapons, Mr. Nixon indicated through aides in San Clemente, Calif., that he had no recollection of having been briefed on the matter by Mr. Hoover.

Mr. Nixon was said to believe that his decision to renounce U.S. use of biological weapons in November, 1969, and later to curb chemical weapons in the U.S. arsenal was good on its own merits, re-

(Continued on Page 2, Col. 4)

Pentagon Says Increase Needed To Counter Soviet Superiority

By David Binder

WASHINGTON, June 5 (NYT) — Defense Department officials report that after a long period of decline in chemical warfare efforts the U.S. armed forces have begun to expand in this field to counter what they concede to be vast Soviet superiority.

The decline started in 1969 after then-President Richard Nixon decided to forgo biological weapons and to reduce stocks of chemical weapons in what was then a large arsenal.

Soviet-supplied equipment captured by the Israelis in the 1973 Middle East war and subsequent intelligence findings indicate that the Russians have integrated chemical warfare fully into the structure, equipment and training of its ground, air and sea forces, officials said in recent interviews. This has prompted U.S. military planners to readjust their thinking about what

has long been viewed as the most repugnant form of warfare and to upgrade defense capabilities in chemical warfare.

Among the items retrieved in the 1973 war were samples of a pervasive Soviet nerve gas, decontamination washdown equipment for planes and tanks, air filters and sealing on virtually all vehicles, and portable shelters capable of protecting men and equipment from gas attacks.

U.S. Equipment Unprotected

No U.S. equipment is comparably protected against chemical warfare, Gen. George Brown, the outgoing chairman of the Joint Chiefs of Staff, acknowledged in his annual report to Congress on the U.S. military position earlier this year.

The Pentagon has received what

(Continued on Page 2, Col. 4)

Scot Player Is Banished In World Cup Over Drugs

By Rob Hughes

BUENOS AIRES, June 5 (IHT) — Willie Johnston, a winger for Scotland's soccer team at the World Cup tournament here, was ordered off the team and told to fly home on the next plane today following a positive dope test that revealed a stimulant in his blood-spectrum after Saturday's 3-1 defeat by Peru.

He was also banned for life from playing for Scotland after admitting that he had taken two stimulant tablets before the kickoff.

Further action against Scotland as a team was considered possible, with Fifa — the world soccer or-

ganization — scheduled to meet tonight.

Caught by Computer

Scotland's initial reaction to the positive test, revealed by a West German computer said to be able to determine 500 drugs within two hours, was defensive. Its manager, Ally MacLeod, said that he believed the same computer had identified stimulant traces in Peruvians and Iranians and that it "could be that the computer is wrong."

But Dr. Gottfried Schoenhalzer, the Swiss chairman of the anti-dope (Continued on Page 15, Col. 1)

Austria	12 S	Kenya	5th 7
Belgium	120 S	Lebanon	62.25
Denmark	120 S	Luxembourg	20 L
Egypt	40 P	Morocco	27.5 R
Finland	22 P	Netherlands	1.50 R
France	250 F	Nigeria	70 R
Germany	1.50 D	Portugal	1.50 R
Greece	18 D	Spain	40 P
Great Britain	20 P	Sweden	27.5 S
India	40 R	Switzerland	1.70 S
Iran	40 R	Turkey	27.5 S
Italy	400 L	U.S. Military (Eur.)	50 S
Israel	1.50 R	Yugoslavia	20 D

On Moro Decision

Andreotti Recounts Anguish

By Linda Charlton

NEW YORK, June 5 (NYT) — Except for the wristwatch with two faces, there is nothing remarkable in Giulio Andreotti's appearance except, perhaps, its lack of distinction, the almost self-effacing manner in which he hunches his narrow shoulders in the double-breasted, slightly rumpled blue suit.

The watch, with one face showing the time here and the other the time in Rome, he calls his Atlantic watch. He explained with one of his rare, faintly ironic smiles, and he wears it only in the United States. The Italian premier is in the United States for the United Nations Special Session on Disarmament, after what he described as "the most difficult months of the postwar period" for himself and for Italy, the spring of Aldo Moro's kidnapping and death.

Mr. Andreotti and Mr. Moro had been friends "ever since the early days" of the Christian Democratic Party of 35 years ago or so. Mr. Andreotti recalled in an interview last week. He spoke quietly, unemotionally, his hands clasped in his lap and occasionally moving in small gestures to punctuate his words, his eyes flickering to and from the face of his interviewer. Sitting beside him, serving as interpreter was Alessandro Cortese de Bosis, the Italian consul general in New York.

"This report preceding the political life made my own position ever more difficult," Mr. Andreotti said. Before another question could be asked, he went on: "There was never a single moment when we doubted the validity of this firm line — not to negotiate with the terrorists."

But surely it must have been an intensely painful time for him?

Scientists Vote

On Moscow Visit

WASHINGTON, June 5 (AP) — A team of U.S. scientists has voted to go ahead with a planned visit to Moscow this month unless new Soviet breaches of human rights take place.

State Department officials, disclosing the vote, said that a key member of the group has decided to stay home to protest the jailing of dissident Soviet physicist Yuri Orlov. He is Simon Kassel of the Rand Corp.

Others in the eight-member mission — all experts involved with Soviet counterparts in manpower research — said the possibility of reversing their decision remains open.

"Yes — it was even more so since my acquaintance with Mr. Moro's wife went back to our days as students" at the university.

Yes, for a long time he hoped that the terrorists who kidnapped Mr. Moro, having failed in their purpose, "which was to create a political crisis, might set free Mr. Moro after having humiliated him, after so many weeks." Up to "the last moment" he was hoping for that, he said, despite everything, despite the terrible letters of despairing appeal from Mr. Moro.

Those letters, begging Mr. Andreotti and his party to do what they knew they could not, pleading, accusing. "One thing is certain, that Mr. Moro had whatever information he had only through them [the terrorists holding him]. Anything he was writing was conditioned by this lack of information."

Mr. Andreotti, who wanted to make this point clear, gave an example: "In one of the last letters,

he said that the pope had done very little for him, and we know that this is not true. And the fact that he couldn't write freely can be found in the circumstance that in none of the letters he wrote did he mention the people in his escort who were killed. He was tied with at least two of them for more than 20 years. They were true friends."

No Moral Freedom

In short, Mr. Andreotti said, Mr. Moro was "not in a condition of moral freedom" when he wrote the letters. The premier spoke unselfishly and easily about this concept, as befits a devout Catholic, a Ciceronian scholar, a man who wrote his doctoral thesis on the similarity between "positivist criminology and canonical penal law," who has presided over the revision of the 1929 Vatican Concordat and has written a book on church-state relations in Italy.

And he could understand the Moro family's anger and bitterness, he said, clapping his hands again: "The tragedy that has befallen the family leads anyone to understand any of their positions." But the presence of two members of the family at the public memorial service held against their — and Mr. Moro's — wishes "showed their understanding" of his and the government's position.

Four periods as premier, 30 years of continuous public life and his own character combine to make Mr. Andreotti a man who does not display emotion. But when he was asked about the not-uncommon U.S. perception of Italy as a country crumbling under its problems, he gave a smile that was, for him, almost a grin.

"I've been hearing about this since the first time I came to the United States in 1954," he said. "We certainly have some basic resources which help us to avoid lapsing when on the brink of the abyss."

It is, he said, "the many ordeals, the many sacrifices we have endured during the centuries" that give Italy its hidden strength — and, perhaps, the lack of such hardship that nourishes the discontent of Italy's youth.

Youth Unemployment

But he noted that there are very real problems for Italy's young people, in particular unemployment, and the problems make them vulnerable to the lure of radical or even terrorist groups. He said that he has talked about the unemployment problem to President Carter, who has agreed to "send a technical mission, to Italy and help us to solve it."

He said there are three "basic problems" to be dealt with if terrorism is to be contained and ultimately defeated — the first to "make public opinion understand what goes on and to deny any help to the terrorists," the second to deal with unemployment among university graduates in particular and the third "to organize better and better the police and intelligence services."

As the conversation moved away from the weeks of Mr. Moro's captivity and his death, Mr. Andreotti seemed to relax. He even ventured a small, black joke. Asked about his most recent book, a historical novel about a Vatican minister, he smiled and said the novel's hero, "He is killed when he was a premier, and I hope I do not meet the same end!"

Lebanon Seeks UN-Guaranteed Neutral Alliance

UNITED NATIONS, N.Y., June 5 (UPI) — Lebanon today proposed that smaller nations join under an umbrella of "international neutrality" and that the United Nations take over their defense with a vastly expanded peacekeeping force.

Ambassador Ghassan Tuani went before the UN special session on world disarmament to call for an "internationally guaranteed neutral society" in which "national armies will remain only as tools of local security."

Mr. Tuani said that neutrality traditionally had been the "privilege of a few" — Switzerland, Sweden, Austria — but that, with UN help, it could be expanded. He said that the defense of countries wanting to join in international neutrality would "have to be assumed by international peacekeeping forces," commanded by the United Nations and that UN social, cultural and economic agencies would have to be increased.



COEXISTENCE — A black nanny in Mtoko, Rhodesia, guards her white employer's automobile and his child's crib as he and his family prepare to attend a meeting. They were going to listen to black leader Abel Muzorewa explain the terms of the March 3 agreement leading to majority rule. White settlers in the Mtoko area seldom go about unarmed.

Pentagon Pushing for Chemical Arms

(Continued from Page 1)

A specialist termed full support from Congress in authorizing renewed emphasis on protective training and equipment, but Congress has yet to authorize full-scale production of such offensive chemical weapons as nerve gases.

According to Defense Secretary Harold Brown, in his annual report to Congress, the Pentagon will be spending \$60 million on "detection, warning, medical defense, protective and decontamination equipment" in the fiscal year that begins

next fall — a considerable increase over the current year.

Pentagon specialists said that the program includes protective sealing for two U.S. fighter wings stationed in Europe, new masks and protective garments. Army training programs at the company level and prophylactic kits for individual soldiers — mainly hypodermic syringes for self-injection of an antidote for nerve gases, which paralyze the respiratory system and affect the brain.

According to the Defense

Department, the Soviet Union and its allies have a program that includes more than 1,000 training ranges, battle exercises at the regimental level using nitrogen-mustard gas in concentrations that cause minor blisters on recruits wearing protective garments, deployment of nerve-gas artillery and rocket shells that make up nearly half the tactical munitions of the armies, large depots, and sea and aviation capabilities. Pentagon officials also estimate that the Soviet Union has more than 100,000 troops assigned to chemical warfare, with specialists attached to units down to the company level.

Delivery Systems

The Soviet bloc can deliver chemical agents in artillery rounds, land mines, tactical rockets, naval missiles, bombs and longer-range missiles. The United States lacks this variety of delivery systems, because the reduction in stockpiles begun in 1969, with the disposal of obsolete munitions, was not accompanied by a replacement program or the introduction of new chemical carriers to fit newly deployed weapons systems.

Pentagon specialists trace the divergence between the chemical warfare programs of the United States and the Soviet Union in part to differing national perceptions. They note that in World War I the Russians suffered more losses from German chemical weapons than from guns and bombs, which induced a "never again" mentality. Several U.S. specialists also conjecture that the Soviet military may have been lulled by the superiority of U.S. tactical nuclear weapons in the 1960s and viewed a chemical-warfare buildup as a form of countervailing power.

The reduction in the U.S. chemical arsenal in the early 1970s had several origins, according to the Pentagon sources.

Political Atmosphere

The political atmosphere of the late 1960s was conducive to public approval of Mr. Nixon's decision to drop biological weapons and restrict chemical ones, partly as a result of the 1966 incident at the Ciguay testing grounds in Colorado in which a leak of nerve gas killed more than 6,000 sheep grazing 27 miles away. There was also an outcry over Army plans to transport obsolete nerve-gas canisters across the country for dumping in the Atlantic and revulsion against the use of chemical herbicides to delatinate Viet Cong hideouts in the Indochina war.

Finally there was Mr. Nixon's conclusion, as he recalled it the other day to aides in San Clemente, Calif., that biological-chemical arms were "weapons of mass destruction" that lent themselves more readily to disarmament moves at the outset of his administration than did strategic nuclear weapons. He told aides that at the time he regarded his decision on biological weapons as a stepping stone toward the negotiations with the Soviet Union on strategic nuclear arms.

While Congress has acknowledged the need for improved chemical-warfare defense in recent years, there has been great reluctance to renew or modernize offensive chemical weaponry. Defense Secretary Brown noted in his annual report that only \$17 million would be spent in the coming fiscal year on maintaining the stockpile of chemical agents.

Planted Soviet Agents Said Used to Sway Nixon

(Continued from Page 1)

gardless of what the Soviet agents might have communicated. The curbs were also said to be a reflection of his Quaker attitude toward weapons of mass destruction.

Mr. Nixon's former White House aides, including Henry Kissinger, said that they did not recall a role played by information from Soviet agents at the time they were drafted.

Zaire Talks In France

(Continued from Page 1)

Seko, wants to impose conditions for Western help.

The reforms sought by Washington reportedly include Western nomination of an official in Zaire's central bank to stem the loss of foreign exchange, appointment of provincial officials to stop administrative corruption and introduction of measures to insure political representation of Lunda tribesmen who were the backbone of both insurrections in Shaba mounted from Angola.

Circumstantial Evidence

WASHINGTON, June 5 (UPI) — Although the CIA claims to have photographs of Cuban military leaders with rebel troops inside Zaire, administration officials today described the U.S. evidence of Cuban involvement in the invasion as mainly circumstantial.

House Speaker Thomas O'Neill, D-Mass., said that he and other members of the House were told about the pictures by President Carter and CIA Director Stansfield Turner but did not see the photographs.

It is understood that radio traffic indicating Soviet and Cuban participation in the planning of the invasion had been intercepted by U.S. agencies but no officials would confirm this.

Russia Expels 2 U.S. Guides

MOSCOW, June 5 (UPI) — The Soviet Union today ordered the expulsion of two U.S. guides at the traveling agriculture show in the U.S. exhibition on the grounds that they had slandered the Soviet state and socialist system.

They were identified as Walter Lupan of Washington, D.C., and Anthony Mashiochi of Boston. Mr. Lupan, the only Ukrainian speaker among the 23 guides, had already left the Soviet Union last week when the show ended its stay in Kiev, the Ukrainian capital.

Bangladesh Says Burma Refugees Must Go Home

DACCA, June 5 (Reuters) — President Zia Rahman said today that 200,000 Moslem refugees who have crossed into Bangladesh from Burma are Burmese nationals and must return to their country.

He said he hoped that the Burmese government would provide a solution to the problem. A nine-man Bangladesh government delegation leaves for Rangoon tomorrow for talks on the refugee situation. Burma maintains that many of the refugees were illegal immigrants from Bangladesh.

The refugees have claimed that Burmese soldiers raped their women and took men away to labor camps in a campaign to drive them out. These allegations have been denied by the Burmese authorities.

Czechoslovak to Sofia PRAGUE, June 5 (AP) — Czechoslovak Premier Lubomir Strougal left for a visit to Sofia at the invitation of his Bulgarian counterpart, Stanko Todorov, the official press agency CTK announced today.

97 Percent of Votes Counted

Turbay Wins Close Vote For Colombia Presidency

BOGOTA, June 5 (UPI) — Liberal candidate Julio Turbay won a narrow victory today over Conservative Belisario Betancur in Colombia's presidential election.

Armed soldiers put on alert during the balloting yesterday cuttied their patrols today. There were few people or cars in Bogota streets.

The latest official report from the Elections Commission showed that with 97 percent of the ballots counted, Mr. Turbay had 2.2 million votes to 2.1 million for Mr. Betancur. Minor candidates shared the remainder.

Earlier both candidates had claimed victory. "I accept this beautiful victory with pride and humility," Mr. Betancur said at a morning news conference, when less than 50 percent of the votes had been counted.

Minutes later, at a hotel three blocks away, Mr. Turbay said at a news conference: "I am happy to announce that after having closely followed election developments, according to data we have, we have obtained a significant majority over candidate Betancur."

Shifting Lead

The lead shifted continually during early stages of the vote count. The candidate with the most votes wins; a majority is not needed.

The election was Colombia's first

since the expiration of a 30-year-old law that mandated rotation of the presidency between the Liberal and Conservative parties. The measure was adopted in 1954 to end a 30-year period of political violence.

Mr. Betancur declared himself president-elect and said: "I will totally comply with the campaign promises in my platform."

Mr. Turbay said he would wait for the National Election Court to declare him president-elect, a situation that could affect the public order of my country."

Mr. Turbay, 61, is a veteran politician who has spent two decades working his way up the Liberal Party organization.

Mr. Betancur, 55, is a lawyer and economist and has served as labor minister and ambassador to Spain. Both are left of center politically.

Election Incidents

Several bombings and a guerrilla attack on a vehicle transporting ballot boxes marred election day.

Two soldiers were killed and another injured in the guerrilla attack 350 miles southwest of Bogota. Four bombs set off in the capital caused minor damage and no injuries.

Heavy security was in effect in the capital. Armed soldiers lined major streets.

Africa Prospects Drawing Businessmen From Afar

(Continued from Page 1)

is write a letter, which probably will never be answered, or call his secretary, who may never deliver the message. You contact the minister personally, preferably dropping the name of a well-placed associate.

In African countries the telephone does not work when it rains because the buried wires are not waterproof. In Lagos, Nigeria, the phones do not work even on sunny days. Thus businessmen often appear unannounced, and if they are prepared to wait long enough they will find most African officials and entrepreneurs surprisingly accessible.

Airlines are unreliable. Some overhead by up to 50 percent, then depart as soon as a full load of passengers shows up. The other day, two U.S. importers sat hilly-eyed and disheveled in the airport at Monrovia, Liberia, waiting for a Ghana Airways delayed flight to Accra. How long had they been waiting? "Three days," one said impatiently.

In Kenya, U.S. producers of a \$7.5 million film being shot here were called in recently and told by a government official that their license had been canceled. Why? No particular reason. Could the misunderstanding be worked out privately and financially? Certainly.

"It's a different way of doing business and same people can never adjust to it," said an American businessman in Lusaka, Zambia. "It takes patience and flexibility and a willingness to realize that what is acceptable at home isn't necessarily acceptable abroad. But basically I don't suppose the frustrations of Africa are any worse than those anywhere else in the Third World."

Increasingly, U.S. businessmen are confronting those frustrations and discovering black Africa as a potentially wealthy, untapped market with both short- and long-term economic promise. The French and the British have known this for years.

In 1960, the year that colonial rule began giving way to independence in black Africa, U.S. investment on the continent stood at \$600 million. By 1975 it had increased to \$4.9 billion, of which \$2.6 billion was in South Africa and \$2.3 billion in black Africa. "The opportunities are tremendous here," a U.S. economic analyst said. "To begin with, by getting in on the ground floor, you're going to have a foothold and product acceptance in a part of the world that's growing and getting wealthy. Not everyone's making money now, but they will be in 20 years."

Majorca Dockers Strike

PALMA, Majorca, June 5 (Reuters) — An indefinite strike by 300 dockworkers virtually paralyzed the port of Majorca today.

Exploratory Talks Sought

U.S. Seeks New Ties With S. Yemen

By Don Oberdorfer

WASHINGTON, June 5 (WP) — The United States is seeking to repair its relations with Southern Yemen, which has been used by the Soviet Union and Cuba as a staging area for African operations.

A four-member State Department team hopes to go to Aden later this month. Rep. Paul Findley, R-Ill., has disclosed. A member of the House International Relations Committee, he is one of the few Americans to have visited the country in recent years.

The People's Democratic Republic of Yemen, south of Saudi Arabia on the Arabian Sea, broke diplomatic relations with the United States in 1969. Its authoritarian government was described by U.S. officials last summer as one of the three most important supporters of

international terrorism, along with Libya and Iraq.

Southern Yemen has long relied on Soviet military and civilian advisers and equipment, along with similar aid from Cuba and other Communist-bloc countries.

The Soviet and Cuban presence increased sharply in the past year as the Russians used the port of Aden and airfield facilities in their African buildup, and after the Soviet military base in nearby Somalia was closed.

Yemeni Approval Awaited

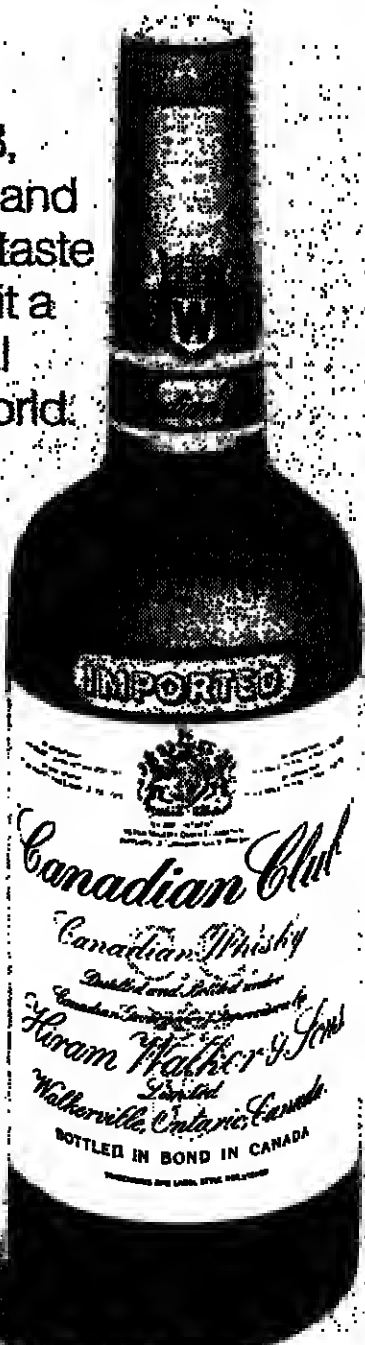
U.S. officials say that nearly 1,000 Soviet civilian and military advisers and about the same number of Cubans are in Southern Yemen. The internal security apparatus of the country is reported to be under the supervision of 300 to 400 East Germans.

Secretary of State Cyrus Vance told a senior Yemeni official at the United Nations last fall of the U.S. desire to undertake discussions looking toward diplomatic relations, in keeping with the Carter administration's policy of seeking ties with all nations. Southern Yemen reportedly expressed interest, but has not given definite approval for the proposed visit of the U.S. mission, sources said.

Rep. Findley said the U.S. team is to consist of four senior State Department officials authorized to discuss resumption of diplomatic relations, among other matters.

A State Department official said the team, to be headed by Joseph Twinn, director of Arabian Peninsula affairs, has no set agenda for the "exploratory talks."

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2 Different Worlds

Poverty Lurking in Japan Behind Modern Affluence

By Andrew H. Malcolm

TOKYO, June 5 (NYT) — Women in colorful kimonos attending parties in celebration of plum and cherry blossoms. Scrubbed children gamboling off to school in bonnets and pressed shorts. Well-heeled businessmen in polished cars. And well-kept lanes lined with private gardens. Affluent Japan, 1978.

Tiny rooms shared by humans and vermin. Hallways where painful smells of raw, rusting metal. Aging people sleeping in the warm spring sunshine. Impoverished Japan, 1978. The same nation. Two different worlds. Both are real. But one is hidden.

Poor Japanese, especially poor urban Japanese, do not fit the stereotype of an energetic, innovative people, more than 92 percent of whom consider themselves middle class, according to opinion surveys. Their presence is an embarrassment to a society with a gross national product last year of close to \$700 billion and a per-capita income of \$6,036 — a economy so booming that last week the governor of the Bank of Japan said he doubted Japan would be able, as hoped, to sharply reduce its huge trade surplus in fiscal 1978. But statistics do not tell the full story.

Officially, only 1.4 percent of Japan's 113 million persons are on welfare. Many other poor persons, it is believed, have not signed up out of ignorance or, more likely, pride. In the traditions of the countryside, poor people were carried along by extended families. It is the postwar decline of this traditional support system that has marked the growth of Japan's modest welfare system. The era of rapid economic growth, roughly from 1960 to 1973, drew millions of farmers and farm families to jobs in the cities.

The heady boom days ended with the energy crisis of 1973, and a time of greatly slowed growth has ensued. Industry has yet to make many of the painful, necessary adjustments, but some have reduced hiring and even laid off employees, primarily from among the less-skilled or the higher-paid older workers. This has punched holes in Japan's much-hallowed lifetime employment system.

The future looks worse, at least for those at the bottom. Unemployment rates are growing; the jobless rate for March was 2.12 percent, up from 1.94 percent a year earlier. The figures seem slight by U.S. standards, but not to the Japanese who have lost their jobs.

"Of course, we can't know the precise time lag," said Takuo Suzuki, director of a city welfare center, "but we must expect that the number of poor will increase."

With the erosion of traditional ties that accompanied urbanization, the poor have nowhere to turn but to the government, which has been dominated by conservatives for all but a few months of the last three decades. Their policies, attuned more to industrial and financial development, resulted in a grudging development of welfare that, for instance, has yet to devise a program of pensions for the elderly.

Currently, welfare payments and administrative expenses cost the national government \$3.8 billion a year. Municipalities pay the remaining 20 percent of the welfare tab. But increases are hard to achieve even though the Japanese cost of living is among the world's highest.

Every day about 150 men visit Mr. Suzuki's welfare office in the heart of Sanya, a notorious Tokyo slum whose name is synonymous with street delinquents. Officials said a typical case is an unskilled man in his mid-40s; if once married, he is now divorced.

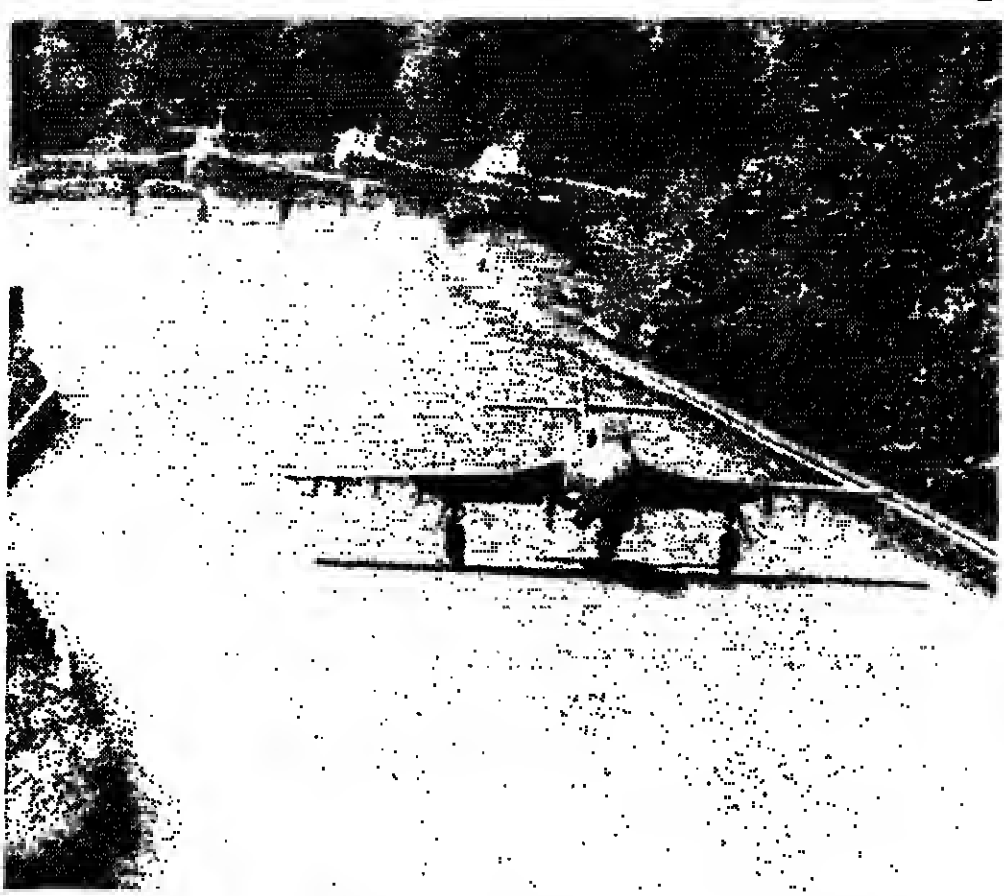
A growing number of welfare recipients are elderly, handicapped or ill. Few have the college education that has been a ticket to success in Japan. While national health insurance covers most medical costs, the simple expenses of daily living are too much. One such case is the Ichiro Taniguchi family, whose name is changed here at their request. Three years ago, Mr. Taniguchi fell ill. He is not sure why, but his wife confides that he is dying of lung cancer.

Left Father's Farm

Mr. Taniguchi left his father's farm in the 1950s for a construction job in Tokyo. "I was foreman of 20 men," he said. Unable to work, however, he was forced out of his home and now lives with his wife, their four children and a stray pet pigeon in a 48-square-foot room in a charity's dormitory for poor families.

Each month they receive 162,000 yen in welfare payments, the equivalent of something over \$700 at today's inflated exchange rates. Of that, 14,000 goes for utilities.

The case is typical, said social workers, and the family's situation will worsen when the father dies, possibly next year. Then, their welfare allotments will be cut. And they will have to move. "Life in affluent Japan is fine so long as you're in the mainstream," said a slum worker, "but once you get crosswise of the rigid system, then you don't bounce back."



HIGHWAY BASE — Four fighter planes of the Swiss Air Force take off at highway near Zurich. Officials blocked road to allow pilots to practice emergency takeoffs and landings.

To Fit Ideas to Conditions

Teng Asks Army to Be Flexible on Mao

By Fox Butterfield

HONG KONG, June 5 (NYT) — Teng Hsiao-ping, China's twice-purged deputy premier, has called on the Chinese armed forces to be flexible and realistic in their interpretation of the thoughts of the late Mao Tse-tung, updating them to fit contemporary conditions.

Speaking to a national conference on political work in the army, Mr. Teng said that "beyond doubt we must at no time violate the basic principles" of Mao. But, he added, "we must integrate them with reality, analyze and study actual conditions and solve practical problems."

Mr. Teng, who is also a vice chairman of the Chinese Communist Party and chief of staff of the armed forces, stressed the need to avoid "mechanical copying" of Mao's ideas. "If we just copied past documents word for word, we wouldn't be solving any problem, let alone solving any problem correctly."

"In that case," Mr. Teng said, "even if we paid lavish lip service to Mao Tse-tung thought, we would actually be running counter to it."

Mr. Teng's speech is the latest in a series of efforts by Peking to de-mythologize and re-evaluate Mao. His successors continue to publicly praise him, for to do otherwise would be to risk unraveling the whole Communist Party and state. But an attempt is being made to cull those aspects of the late chairman's thinking that now appear to be antithetical to economic development and China's effort to become a modern industrial power by the year 2000.

Hence Mr. Teng, instead of focusing on any of the actual policies Mao had proclaimed, stressed that the essence of his philosophy was his realistic approach to solving problems. "Chairman Mao's brilliant concept of seeking truth from facts," Mr. Teng said, his analysis of "new historical conditions and identification of new problems," was his fundamental viewpoint and method.

Senior Hierarchy

The conference on political work in the army, which met recently in Peking, was also attended by most of the party's senior hierarchy, including Hua Guo-feng, the party chairman; Yeh Chien-ying, the ranking vice chairman, and top military leaders. It was presided over by the head of the army's General Political Department, Wei Kuoching, who is a close associate of Mr. Teng.

In the summary of Mr. Teng's speech transmitted by the Chinese news agency, there was no reference to the sensitive subject of Mao's doctrine of people's war, his belief that men, rather than weapons, decide wars.

But the implication of Mr. Teng's remarks seemed to be that this idea needed modification to take account of the rapid development of sophisticated weapons. "Judging from the problems and conditions actually existing in the armed forces," Mr. Teng told the delegates, the most important thing is "to enhance the combat strength of our army under new historical conditions."

Yugoslav Visits Athens

ATHENS, June 5 (AP) — Yugoslav Defense Minister Nikola Ljubicic arrived here today for a five-day visit within the framework of improving Greek-Yugoslav relations, especially in the military sector.

Obituaries

Ex-Sen. Joseph Montoya, Was on Watergate Panel

WASHINGTON, June 5 (UPI) — Former Sen. Joseph Manuel Montoya, 62, a Democrat who worked his way through the political ranks in New Mexico and came to national attention as a member of the Senate Watergate Committee, died today.

Mr. Montoya had been hospitalized at Georgetown University hospital since early May for treatment of gastro-intestinal bleeding. Two operations failed to reverse the condition. He suffered kidney failure on Saturday.

Mr. Montoya launched a four-decade political career in the Great Depression, winning election to the New Mexico House in 1936 while enrolled in law school at Georgetown University in Washington.

He served two terms in the New Mexico House, three terms in the state Senate and four terms as lieutenant governor before winning election to Congress in 1957 at the age of 41.

Mr. Montoya later became a member of the Senate Watergate Committee, the panel that probed Nixon administration activities and laid the groundwork for Mr. Nixon's resignation in August, 1974.

But it was during the same period — at the peak of Mr. Montoya's political career — that the steady string of political successes began to unravel.

He had "laundered" more than \$100,000 in 1970 campaign contributions through "dummy committees," The Wall Street Journal reported. Mr. Montoya denied it.

Mr. Montoya, chairman of the Senate Appropriations subcommittee overseeing the Internal Revenue Service, did not have his income-tax return audited for more than 25 years — an unusually long time for politicians such as him.

In 1976, the Treasury Department refused parole — all because of the episode at Beauford.

She has been quoted by her lawyer, William Kunstler, of New York, as saying that she would "rather die than return to North Carolina" because she is a "marked woman who has been acquitted of the murder of a white prison guard."

Justice Thurgood Marshall on May 30 temporarily blocked Miss Little's extradition until the entire court could consider the stay application.

On her return, she would complete her original sentence and also face escape charges.

After rulings against her in New York state courts, she turned to federal courts for help.

U.S. District Judge Kevin Duffy said he could not find that she would be unconstitutionally confined in North Carolina.



Ex-Sen. Joseph Montoya

Joan Little's Bid to Stay In N.Y. Rejected by Court

WASHINGTON, June 5 (UPI) — The Supreme Court opened the way today for the immediate return of Joan Little to North Carolina state prison, where she claims she will be subject to abuse and perhaps be killed.

Miss Little, who escaped from a prison in Raleigh, N.C., in October, had asked the justices to allow her to remain in New York City, where she was captured on Dec. 7, until her lawyers could appeal a decision against her by the 2d U.S. Circuit Court of Appeals.

The high court rejected her request today in a brief order, without comment.

Her lawyers contend that they never had an opportunity to demonstrate what is likely to happen to Miss Little if she again becomes a prison inmate in North Carolina.

Breaking and Entering

The black woman became a national figure during her 1975 trial on charges of killing a white jailer who, she said, had tried to rape her. A jury acquitted her of murder.

At that time, she was confined to the Beauford County Jail for breaking and entering three mobile homes.

Last October she escaped from the Women's Correctional Center at Raleigh. In the effort to prevent her return to North Carolina, it has been suggested that she escaped because she was harassed, denied adequate medical treatment and

Post Office Workers Still Strike in Israel

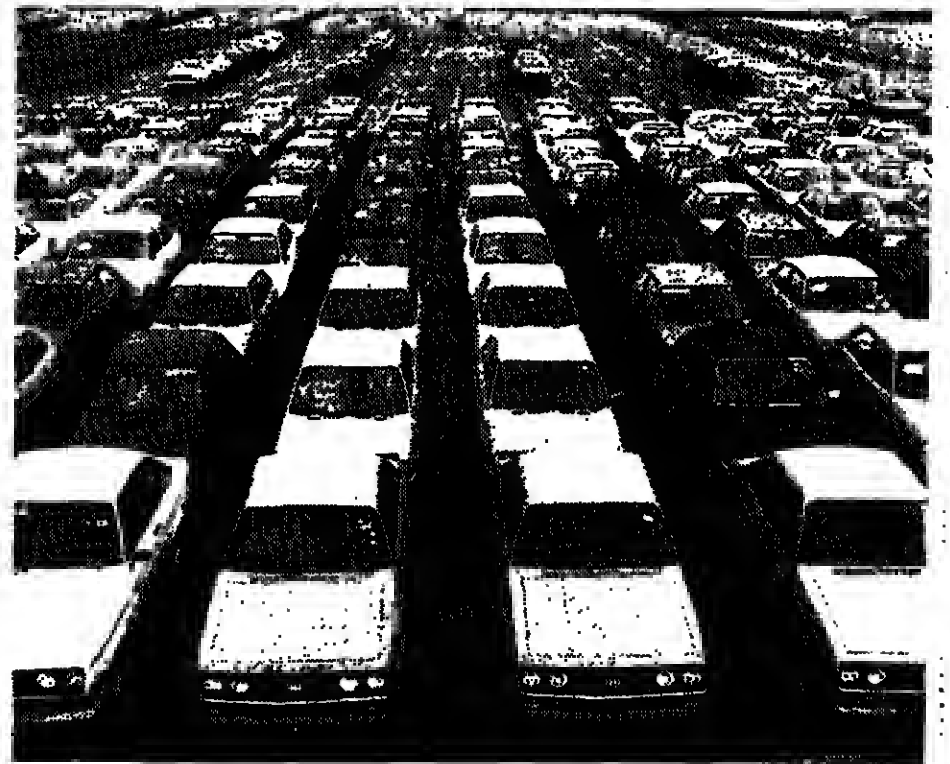
JERUSALEM, June 5 (UPI) — Israel's 5,500 postal workers disobeyed a court order today and stayed away from their jobs for the second day. The workers are demanding a 40-percent pay increase.

The strike halted all mail pickup and delivery, except for soldiers who continued to get mail through a special service arranged by the Ministry of Communications. All post offices were also closed.

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Bayer says: more cars need not mean more injury and damage in accidents.

Economic development is penetrating into the furthest corners of the earth. New roads improve the infrastructure and promote economic expansion. But this growing mobility is taking its toll. Are the increasing personal injury and material damage on the roads inevitable? The sheer volume of today's road-traffic obliges us to reflect on this problem rather than resign ourselves to it.

Engineering plastics improve vehicle safety

The greatest traffic hazard is men himself. There is little we can do to change his "design", but we can do something about that of his car. About 50% of road accidents occur at speeds between 15 and 30 m.p.h. (25 and 50 km/h).

A great deal of distress can be averted if the car's occupants sustain no more than minor injuries in such collisions, and this is where the design and construction of the vehicle play a decisive role. Bayer polyurethane foams are used as padding in many parts of the interior to lessen the affects of an impact.

Flexible body parts made of engineering plastics increase exterior safety. Elastic bumpers and spoilers withstand a head-on collision at 5 m.p.h. (8 km/h) without damage. Thus the nuisance caused by minor damage is eliminated. Completely new technologies have made it possible to manufacture flexible front end rear end fascias from engineering plastics in a single cycle. This also leaves plenty of scope for the designer.

Bayer is active in almost all countries of the world in the fields of chemicals, dyestuffs, engineering plastics, man-made fibres, pharmaceuticals and crop protection. Bayer thinks of tomorrow — today.



Europe, Japan and Oil

The U.S. allies in Europe and Japan are getting worried about the U.S. inability — or is it unwillingness? — to curb oil imports. The best reasons for controlling oil consumption are, of course, to protect this country's own national security and economic stability. But the debate has been almost exclusively in terms of domestic interests. There's another dimension to the issue that generally goes unmentioned in the United States. It's the political effect in Western Europe and Japan of the spectacle of the U.S. government lost in wondering, inconclusive debate over energy.

The Carter energy bill is still hung up in that marathon congressional conference. The most effective section of the bill, the tax on crude oil, is not likely to be enacted at all. This deadlock in Congress has acquired great symbolic significance abroad. There it is taken as an indication of U.S. refusal to deal seriously with a subject of urgent common concern.

The U.S. failure to restrain oil imports has had harsher consequences abroad, so far, than here. Other industrial countries, more dependent on OPEC's oil than the United States, fear that unrestrained U.S. demand will hasten the crisis that President Carter has predicted and strengthen the forces within OPEC that want sharply higher prices. The large U.S. trade deficits, caused mainly by oil imports, weaken the dollar abroad. The impacts on other countries' domestic economies are severe, ranging from bankruptcies in Japan to unemployment in West Germany. If other governments become persuaded that the United States is no longer going to respond to acknowledged economic threats like excessive oil imports, they are going to try to protect themselves in ways damaging to everyone. That means protec-

tionism. The French are already talking about "organized free trade."

Next month President Carter will meet in Bonn with his counterparts from six other big industrial countries to attempt to draft a joint economic program. The United States wants its partners to do a number of things that they say will be difficult and painful. They, in turn, want the United States to do two things to show that it takes inflation seriously, and to demonstrate that it is not going to let its oil imports keep floating upward without limit. The Carter administration's present attention to inflation is probably as much as anyone expects it to be able to do for the present on that score. But on oil imports, it is going to have to come up with much more specific action if it is to be persuasive. Otherwise, Mr. Carter takes a severe risk that the whole summit conference will evaporate in generalities and evasions. The other governments are now fixed on the U.S. performance on oil import curbs as a test of intentions. If the United States does not meet that test, other governments are not likely to respond with much enthusiasm to the requests being made of them.

What kind of curbs? Quotas on oil imports are not an inviting idea. The only other possibility would be import fees imposed by presidential order. The administration is profoundly reluctant to resort to import fees, for it still hopes to persuade Congress to pass the crude oil tax this year. But that hope becomes thinner by the week. Certainly this country has stronger reasons to act rapidly on imports than merely to rescue an international meeting. But if the Bonn meeting in July is a washout, the fragmentation of purpose among the rich countries is only likely to increase.

THE WASHINGTON POST.

The Ghosts of Vietnam

When thoughtful men like Henry Kissinger and Daniel Patrick Moynihan ruminate out loud about the nation's "failure of nerve" and then ascribe the cowardice to "leadership elites" we all had better take notice of the drift of our politics. The talk about world affairs is becoming muscular again and such psychoanalytical counsel can be dismayingly provocative to a depressed White House.

"What has become of our country when we explain foreign policy by the myth of the invincible Cubans?" asks Mr. Kissinger. "I don't believe we are wringing our hands," replies an already defensively patient Zbigniew Brzezinski. "I think we were trying to respond to reality."

"When we left Vietnam . . .," Mr. Kissinger suggests, "an attitude developed that we must not conduct any policy — other than rhetoric — anywhere in the world that might possibly succeed . . . that if America is not to be punished for its presumption [in Vietnam], then at least we must be sure that the country is never presumptuous enough to undertake any more distant enterprises."

"In my opinion," says Jimmy Carter, "if President Johnson, President Nixon, President Eisenhower, Kennedy were in office now, having experienced the Vietnam war, they would be very cautious and very careful, not to become involved again militarily. And I have that deep feeling myself." Now when a president begins to invoke the protection of his predecessors, you can be sure he's been stung. But here ends our probing of the inner mind. Those who would rouse the nation to take forceful action and to mount distant enterprises ought to be made to write their prescriptions in words that the rest of us can understand.

The Kissinger-Moynihan conversation, in the journal Public Opinion, moves from the clinical to the opaque. The New York senator finds the nation negotiating with the Soviet Union from a position of military as well as psychological weakness and suggests that no decent arms control agreement will be possible unless the United States threatens to

double and quadruple its defense budget to speed the Russians into bankruptcy. The former secretary of state says it is absurd to think of the Russians as stronger in overall assets; the defeatism is merely confusion — the lack of geopolitical theory that defines "what it is that you cannot permit and what it is you are to try for." He would not have permitted Cubans into Ethiopia.

One man says it is better to threaten everything, no matter what the chances are in making good on the threat. The other says never mind the particular stakes or possibilities; in geopolitics everything is tied to everything else; when an adversary does anything that Americans don't like or uses means that they disapprove then they must stop it.

There, we submit, walks the ghost of Vietnam. It, too, was once defined as an arena of aggression by a united Communist world; then as the foremost expression of Chinese expansionism. Whatever the stakes on the ground, or the possibilities, for geopolitical reasons Hanoi had to be stopped. And there could be no pause to assess the costs of that distant enterprise: by doubling and quadrupling the investment in money or lives, Americans would prevail. To resurrect that logic against a President who seeks new techniques for applying U.S. influence around the world is a dangerous game indeed.

We believe, with Mr. Carter, that the Soviet and Cuban intrusions into Africa are adding to the violence of that continent's struggle to overcome the legacies of colonialism and racism. They are also complicating East-West relations at a delicate moment to arms control negotiations. Portraying the risks and costs to Moscow is the proper first response. Guiding Africans to a measured response is also appropriate. Anticipating even more bitter strife in Rhodesia is certainly necessary. And a far-sighted appreciation of the combination of benign neglects and interventions that will bring the most credit to the United States is necessary. Blaming the Cubans, or cowardice, for our difficulties is internationally petty and domestically provocative.

THE NEW YORK TIMES.

International Opinion

U.S. Action in Zaïre

Efficiently and without preliminary and public agonizing by the White House, United States air transports are ferrying Moroccan soldiers into the Shaba province of Zaïre.

In collaborating with the French to mount this airlift, President Carter is also semaphoring to the other members of the Western alliance his belief that NATO should be pre-

pared to hammer out a more active and coordinated response to Soviet imperialist subversion in Africa.

The provision of a few planes for troop transport may not appear much, but provided as they are by a great power, still bruised and humiliated after defeat in Vietnam, they represent a welcome reassertion of U.S. presidential will on the world scene.

— From the Daily Mail (London).

In the International Edition

Seventy-Five Years Ago

June 6, 1903

BUENOS AIRES — The reaction of the Argentine press to proposals for South American federation has up to now been unfavorable. With "La Prensa" declaring that "Argentina has no reason for setting up such a doctrine in opposition to the Monroe Doctrine because the United States has never acted in a manner which would give rise to suspicion." The same paper adds that the Monroe Doctrine is sufficient for the preservation of the political integrity of South American nations.

Fifty Years Ago

June 6, 1928

KANSAS CITY, Kan. — Additional triumphs by Herbert Hoover in the Republican National Committee today brought the total of votes clinched by the commerce secretary within the last 48 hours to 24. As each vote of the committee today brought a new Hoover success, it became clear to observers here that the only person who can keep the GOP presidential nomination from Mr. Hoover is President Calvin Coolidge himself.



Jerry Brown Shifting Gears

By Rowland Evans and Robert Novak

SAN DIEGO — When Gov. Edmund G. Brown Jr. appeared at a fund-raiser here one week before California voters were about to vote on the huge property tax reduction today, he demonstrated an extraordinary political agility which may yet propel him into the White House.

Brown is an avowed opponent of the constitutional amendment (sponsored by anti-tax crusader Howard Jarvis) cutting \$7 billion in property taxes, and so were most of those present at the posh Kona Kai Club who had spent \$125 a plate. Nevertheless there was no call to defeat Jarvis. Rather, Brown quietly called it "the latest manifestation of a very serious unease about government" and hoped his response to it could produce a "renewed charter" for government.

That climaxed a week of hasty adjustment by Brown once it became clear the Jarvis amendment would pass. Not only did he switch from all-out opposition to detached ambiguity but resumed the anti-government rhetoric of his early, intensely popular days as governor.

New Approach

This shift may well fulfill what Brown and his political strategists have been seeking: a new approach bringing the governor and his poll ratings out of the doldrums. Ironically, the Jarvis amendment could prove Jerry Brown's salvation, both for reelection this year and his ambitions to replace Jimmy Carter in 1980.

Those ambitions recently had been eclipsed by worries about winning a second term. His closest advisers admitted that the magic of 1975, when Brown entranced a broad spectrum opposing big government and high taxes, had disappeared. Having gradually become the proponent of government programs, he has been sounding more like Nelson Rockefeller than Jerry Brown.

What's more, those same advisers admit the \$600-million statewide media blitz for a Democratic primary campaign in which Brown faced no serious opposition had not really restored his former standing. To the middle class, Brown had become a sectarian advocate against nuclear power, for farm workers,

against business and for social reform.

Brown's political touch was particularly shaky on Jarvis. By insisting on tax relief which redistributed income to the poor, he must share with the state legislature blame for inaction that generated irresistible pressure for Jarvis. One of Brown's key advisers conceded to us that, in underestimating chances for Jarvis, "Jerry missed just how much public contempt there is for the political class."

Blunder

Campaigning vigorously against the Jarvis amendment this spring, Brown committed a rare, unmitigated political blunder. He supported a freeze on higher new property assessments just before the Jarvis vote, a transparent gimmick termed "kindergarten Watergate" by the hot-tempered Jarvis. Facing a personal defeat and the headache of confronting the \$7-billion revenue loss, Brown seemed headed for disaster.

Two weeks before the election, Brown abruptly shifted gears. His border-to-border (Mexico-to-Oregon) campaign swing against Jarvis was canceled. Instead, he announced conferences with financial experts to determine strategy following what he now conceded would be the passage of Jarvis.

On a tour of black churches in Los Angeles on May 28, Mayor Tom Bradley harangued audiences to vote against Jarvis. But not Brown. He hardly mentioned the issue in the first two churches visited, then in the third church under the anti-Jarvis claim that its passage would halt vital government services.

"All these things will be done," said Brown, "by the people themselves if not by the government" — a return to his discarded 1976 call for "voluntarism" replacing government. Later that Sunday, addressing a cheering Armenian independence rally of some 7,000, he said not one word about the coming vote.

Brown now talks about "the voice of the people being heard" and promises, "We're going to cut government at all levels." He claims he is best equipped to "cut and squeeze," pledging, "I will add renewed political strength to the government."

Is the people's will on Jarvis now a public message for Jerry Brown to return to anti-government postures of his first two years as governor? "Fine," he replied to us, "then we have a renewed mandate from the people. If [the tax-cut proposal] is severely flawed, but we will do it."

That is Brown's theme for the fall campaign and, perhaps beyond. Is it remotely possible that Brown would carry to the nation the Jarvis-forced banner of tax reduction and reduced government? "If we respond to this problem effectively," he replied without even the hint of a smile, "the rest of the country would be extremely interested."

The Vance-Brzezinski Contest

By Stephen Rosenfeld

WASHINGTON — There is a sharpening sense in Washington of a contest between Zbigniew Brzezinski and Cyrus Vance for the mind of Jimmy Carter. That is to say, for power. It could get messy. It needs it. If the President puts their different strengths into focus, it offers him the opportunity to shape a more effective foreign policy.

The tussling is Jimmy Carter's fault. Had he conveyed to his lieutenants over the last 17 months a clearer idea of what kind of policy he wanted, they would surely have taken up their positions in the indicated line of march. Even today, however, no one — perhaps not even the man himself — can say whether Carter is basically a "liberal" or a "conservative" in respect to the Soviet Union, whether he gives priority to standing up to the Russians or coming to an accommodation with them or splitting the difference. He jumps around like a water spider on a June afternoon.

Brzezinski, I gather, long fretted about this permissive and unstructured condition. An academic accustomed to rounding out concepts on paper, he perceived Carter's inconstancy as a void and proposed to fill it with what comes down to a theory of Soviet expansionism. In the last few years the Kremlin's arms programs (strategic and con-

ventional) and African interventionism have made the theory increasingly plausible, and have provoked people who hold it against damaging charges of "cold warrior" — charges Brzezinski is drawing now from the Russians and segments of the U.S. left. The Russians made him what he is today.

Looseness

Vance, I surmise, could have lived with Carter's looseness. A lawyer trained to balance out differences quietly, he perceived the Carter approach as an opportunity to pursue his own preference for issue-by-issue diplomacy. No historian, no intellectual, Vance has no theory to explain aspects of Soviet policy that bother people, and no evident awareness that in uncertain times people want explanations of their unease.

Vance has a view of the Soviet Union arising from his interest as a negotiator to ensure that there is a partner across the table. "I believe it is essential we try to find a common ground [with the Russians]. I believe as long as we maintain the necessary military might and strength at home we shouldn't be fearful of everything they do and automatically accept the thesis of the worst-case motivations. One has to be more pragmatic about it." Vance told Time magazine recently, noting in the same breath that "a different perspective with respect to the Soviet Union is the biggest set of differences" he has with Brzezinski.

"Well, one man's pragmatism is another man's heartburn. One can accept and value all of what Vance says without feeling he has closed with the issue. What is the 'necessary' military might? If not of 'everything,' of what should we be fearful? How pragmatic? Substantively and politically, Vance goes wrong, I think, in not addressing those aspects of Soviet policy that

complicate the quest for "common ground." So long as he conveys the impression that the anxieties held by many of his fellow citizens aren't all that serious, he will not have the scope he wants to pursue diplomatic solutions.

I don't wish to suggest Carter is devaluing Vance; I have no special information, anyway. On the contrary, Vance's good sense in sizing up particular situations seems to have been recognized. Regarding Zaïre, for instance, Brzezinski, with the engaged imagination that is the mark of the intellectual, made some action proposals that were pretty far out. Carter went with Vance's more modest proposals, which worked well enough.

Harness Talents

For Carter, though, the problem is not to bury his advisers' divergent approaches with amiable tolerance but to harness their separate talents to the making of wise policy. It will be the responsibility, and the country's loss, if the tension between them degenerates into more bureaucratic rivalry, or gives undue bargaining advantage to Moscow.

The Brzezinski emphasis on seeing things in the round is, I think, basic. Vance must learn to convey an understanding of how things fit together — SALT and Africa, for instance. This doesn't necessarily mean linkage. It means accepting relationships that are there. Without that the administration will have neither sound policy nor political support.

Only then can there be a good argument on how to pursue particular diplomatic or military initiatives. They must be set in the larger context. To me the risk at this moment is that, in the absence of the larger view, the arguments for the initiatives will be skewed. Carter should take charge.

FASHION

The Good and Bad About a Signature

By Hebe Dorsey

NEW YORK (IHT) — Of all American designers, Mary McFadden has the strongest signature around, which is both good and bad.

The other evening, at the Ideacomo party given by Italian silk makers, at least six women were wearing McFadden creations, which, given the \$1,200 price tag, cannot be too pleasant a surprise. Even Miss McFadden was concerned when she heard about it. "That's not very good," she said, when told that Lynn Wyatt and C.Z. Guest were in almost identical dresses. Besides, one McFadden looks so much like another McFadden that to the layman to have seen one is to have seen them all. It takes an expert eye to perceive and recognize subtle differences between this one and that one.

But there is the other side of the coin. Here is a designer who came upon the scene only five years ago and from an unlikely background to boot. For Miss McFadden is about as blue-blooded American as they come.

The daughter of a cotton broker, she grew up on a Tennessee plantation. After her father died, her mother moved her East to an Ivy League setting with Foxcroft schooling and summers in Newport, R.I., and Southampton, New York. She married a De Beers executive with a lot of social boopla. All that took her to South Africa, where it all started.

Uncomfortable in Western gear and seeing no good dressmakers around, Miss McFadden went around collecting natives' batiks, draping them on herself and adding local, primitive Ubungu jewelry — in fact, doing her thing well before it became fashionable.

Ancient Inspiration
Now, what started as an amusing personal wardrobe has won her several awards, including the Coty award and has gelled into a \$3 million dress and \$1 million jewelry business, with the inspiration coming mostly from ancient art and civilizations.

Actually, everything about Miss McFadden is a work of art, including her self. Old friends said that she was once homely, but she certainly has changed all that. Dramatic would be more like it, although some people find her affected. The results, nevertheless, are highly effective. With her hairline shaved off to make a perfect oval, her hair is parted dead center and falls straight and jet-black, framing a mauve-lipped face dominated by two huge eyes. The stark white skin adds to the startling, exotic Oriental mask look. However, in real life Miss McFadden comes across better than in her pictures because there is a lot of softness in her manner and a warm, winning smile.

Although small (she stands 5 feet 4 and wears a size 4), she looks tall because of her perfect posture and precise, positive, co-ossense manner. But whether she is conscious or not, her size has affected her designing and her dresses look definitely better on smaller women.

Designer Mary McFadden. Some say the look is dramatic.



Art a Key Element
Her showrooms are also nothing like Seventh Avenue. Full of Malagaiche art pieces as well as the most avant-garde sculptures, they are more like a museum and reflect the fact that art, both in her private and professional life, has been a key element. Her companion of many years is Patrick Lannan, an ITT board member and noted art collector who has made Miss McFadden curator of his Palm Beach museum.

But Miss McFadden won't talk about her private life. She won't talk about her life, period. Both because she is a very private person and also because she is disciplined and hates wasting time.

So, instead of discussing herself, she says, "It's all in the press kit she says: 'Let's go look at the clothes, that makes more sense.'"

Miss McFadden's style could be summed up as a beautiful, spare, lean and often-pleated column, often topped by a quilted silk jacket. What makes those dresses are the fabrics, color and patterns. Miss McFadden (who says, "We're really in the fabric business") uses extraordinary silks, so soft and unctuous they feel like ancient fabrics. Her colors and patterns, inspired by a Byzantine mosaic, an Egyptian bas-relief or a 13th-century Italian Renaissance border denote an expert and sophisticated art sense.

There are two important landmarks in Miss McFadden's career. The first one was in 1970, when she came back from Africa with three or four tunics she had made of unusual silks found in Africa and China. They attracted the eye of Diana Vreeland, then Vogue editor, who sent her to Geraldine Stutz, president of Henri Bendel.

"We held a very small, limited-edition type of show," Miss Stutz said, "with a couple of hundred people. It went very well. So we

stayed with her as she kept getting better and better."

Her taste quality, according to Miss Stutz, is a boundless curiosity coupled with great professionalism. "After that first season, Mary thought she should try something different and we thought about pleats," she said, "I don't know anything about pleats." But six weeks later, she knows all there is to know about pleating.

Miss Stutz, who developed a close friendship with her, is still asked by Miss McFadden to come a day early and help edit her collection. "Mary," she said, "works like a Renaissance painter. She is not herself a cutter, a dressmaker or a painter. But she has all those artists working for her, she gives them total direction and it ends up totally here."

The second important landmark was when Jacqueline Onassis wore a McFadden two years ago at a charity opening in New York. On the social scene, Miss McFadden was made overnight.

All this, however, is only the beginning of what looks like another American success story. Next on her agenda are carpets, wallpapers, towels and sheets for the Hyatt hotel chain and perfume.

Her last collection, which she describes as post-modern, was hailed by American critics as a four-star collection and her best ever.

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WINE

Trying to Do Justice To Variety of Whites

By Jon Winforth

PARIS, June 5 (IHT) — Nothing is supposed to be more in gastronomic than ordering red wine with oysters. Then you further startle the uninitiated by plopping the red — even if it is Bordeaux — into an ice bucket.

This sort of thing is all right for a change of pace or if the restaurant in question doesn't have a decent white on its list. But it applies only to light, fruity reds that actually have more in common with white wines than with most other reds.

White wine is more than just an excuse for drinking a Kir (white wine with a finger of liqueur de cassis). Even in the United States, where whites are booming as aperitifs, they are largely restricted to seafood and white meats at tables.

That is limiting and hardly does justice to the enormous variety of whites, which includes at least two of the greatest wines of France: Burgundy's grand cru Montrachet and Bordeaux's grand premier cru Chateau d'Yquem, classed above even the Medoc premiers crus in 1855.

Exceptions

But first, what is white wine? It is almost always a wine made from white grapes, but there are some outstanding exceptions. Most champagne comes from black grapes, as does Alsatian Gewurztraminer. This is possible because only the skins of most black grapes contain coloring matter. The pulp is white.

Whatever the color of the grapes, they are crushed and pressed rapidly to avoid oxidation, which turns the wine yellow and gives it the flat taste of old wine.

Fermentation may take place in barrels or vats but it is kept at as low a temperature as possible, between 15 and 20 degrees centigrade. Below 15 degrees the fermentation is likely to stop and above 21 degrees to destroy the fruitiness of the wine.

Some whites are bottled straight out of the vats and others are aged first in oak barrels, as with Burgundies, Graves and Sauternes. Barrel aging imparts tannin that the fermentation of juice without skins and stems does not provide, and seems to give a longer life to such wines. Ten years is the limit for most dry whites but 25 is not unusual in very good years and even a century or more is possible in rare cases.

The extraordinary vins jaunes (yellow wines) of the Jura, deliberately exposed to the air during six years of barrel aging, will keep as well or better than most reds. The Nicolas wine firm has some perfectly preserved 1834 Arbois jaunes in its collection of old wines.

The same lasting power is true for the Jura's vin de paille and Sauternes, both sweet wines. The first is made from bunches picked ripe and dried, formerly on straw mats (hence the name), before pressing. The second is dried on the vine by pourriture noble (noble rot), a fungus, Botrytis cinerea, that reduces water and acidity in the grapes and thereby concentrates the sugar content.

In both cases, there is more sugar than the enzymes in the yeasts can transform into alcohol and the wine remains sweet. When the wine attains about 15 percent alcohol, the alcohol itself inhibits further production of alcohol.

In such wines, the danger of fermentation remains and to avoid it, the wine is given a dose of sulfur dioxide (SO2). Kept within reason, under 100 milligrams per liter, this bactericide is generally unnoticeable.

When it goes too high (the authorized maximum is 450 milligrams and highly noticeable), it leaves a bitter taste in the mouth, a burning sensation as it goes down the throat and hits the stomach and a nasty headache the next morning. This is called a bar au front in French because you feel it across the forehead and just above the eyes.

Just as Digestible

Excess SO2 is no doubt the main reason so many people are turned off by whites, which they claim they can't digest. But reds also contain SO2 and few people complain even when it is all but overwhelming. A clean, well-made white wine is just as digestible as the best of reds, as anyone from an exclusively white wine-producing area can attest.

Cooling is another problem of white wines. Ideal temperatures for different types of wine vary, but in most regions the growers drink them at cellar temperature — anywhere between 10 to 14 degrees centigrade. Ideally, dry whites should be at about 10 degrees, sweet whites and champagnes at 7 to 8 degrees.

And now back to what can be done with white wine other than using it as an aperitif or to accompany fish and white meats. Why dry white as an aperitif? A cold glass of Sauternes or sweet white Anjou (Coteaux du Layon, Bonnezeaux, Quarts de Chaume) makes a perfect aperitif.

These wines also go marvelously well with foie gras, fish in cream sauce, Roquefort cheese, fruits and many desserts that are not overly sweet. Very dry whites such as Sancerre go with shellfish, fish, ham sausage and other charcuterie, snails and goat's cheese.

More full-bodied whites, such as Graves and Burgundies, go with fish in sauce, veal, pork, chicken, rabbit, milk-fed lamb and kid, frog's legs and even certain types of frog—quail and pheasant, for instance.

White wine also goes with Chaozore and Coulommiers cheese (champagne), Comte and other gruyere-type cheeses (any whites but especially those from the Jura).

These suggestions are only a starting point, but whatever the dish, a good white wine is a better accompaniment than a bad red.

Come to the flavor of Marlboro



Chastity Belt Sold for \$5,600

NEW YORK, June 5 (UPI) — For \$5,600, an anonymous Texas bidder has bought a 17th-century iron chastity belt.

The auction house of Sotheby, Parke Bernet, which sold the belt at auction last week, said that the winning bid was believed to be the highest ever made for such a device.

Carved into the iron belt is a picture of a fox running through the legs of a naked woman. Scrollwork written in 17th-century German bears a legend that auctioneers translated as: "A fox is held in me and through his bad temper I am always protected while you are away."

Prize for 'Rembrandt'

ASOLO, Italy, June 5 (UPI) — Jos Stelling of the Netherlands has won the grand prize for the best film about art or artists at the Asolo film festival. Stelling's film "Rembrandt" was judged the best of 65 films on art or artists entered by directors from 19 countries.

France's Blind Turn Away From Traditional Craft

By Vivian Lewis

PARIS (IHT) — Until a decade ago, piano tuning in France was the business of the blind. Now the near-monopoly the blind have held since the 1830s is ending—not because people do not want blind tuners, but because qualified blind students do not want to work with their hands.

The older generation is different. "I love my métier," says Jacques Paillex, 46, a blind Paris-based piano tuner. "I can profit from my blindness to lead an interesting life." Among those whose pianos he has tuned: Leonard Bernstein, Julien Clerc, Charles Aznavour, Mr. Paillex, who is willing to work long hours, increasingly specializes in tuning for professionals.

"Piano tuning is the royal road to financial independence for the blind," says Jean Allanne, principal of the Institut National des Jeunes Aveugles, a high school for blind children which, until 1969, was the only place in France to study piano tuning. Such training for blind boys goes back to one of the institute's early alumni, piano maker Jean Montal, a classmate of Louis Braille's in the class of 1834. By the end of the 19th century, half of the institute's alumni were trained as tuners. This year, only 5 pupils out of 180 are studying tuning.

Tuning pays well—120 to 150 francs (the same for grands or uprights) for a job which rarely takes more than an hour. Getting to the job takes some time and money, but it is clearly a good living. Mr. Paillex, for example, works mostly in recording studios, where he goes by metro or bus, but when going to a place he doesn't know, his wife must drive him. But there is nothing handicapped about his life style, which includes foreign business trips.

Growth Industry
Yet, despite tuners' high earnings, France has an annual deficit of 15 or 16 piano-tuning graduates a year. Thanks to zooming piano sales (15,000 in 1976, 17,000 last year, almost all imports) tuning is a growth industry. The French government, in 1969, broke the near-monopoly of the blind by opening a piano technicians' program at Le Mans. Following a five-year course and three-year apprenticeship, the first Le Mans products are presently seeking jobs. "The program is too new for us to have experience of it, but it sounds like a good idea," says a leading Paris piano dealer.

The first students at the Institut National des Jeunes Aveugles, founded in 1784, were trained as organists. It was thanks to the philosopher, above all Diderot's friend Valentin Haüy, that educating the blind was first attempted. But anticlericalism after the French Revolution led to a shortage of openings for organists. The early 19th century saw the rise of the piano as a salon status symbol. Jean Montal persuaded the poet Lamartine to sponsor legislation (subsequently renewed by the Second Republic) granting a tuning monopoly to the blind.

Haüy's demonstration that the blind could be taught and could earn their living resulted in schools similar to the institute being set up in various German provinces and the Soviet Union. In many European countries, blind children were trained as tuners, too. A system similar to that of France exists in Poland, the Netherlands, England and Austria, among other countries. (In the United States, blind individuals sometimes earn their living as tuners, but there is no systematic program to train them for that career or to guarantee them sole access.) Yet France's pioneer role has not spared it a rapid drop-off in enrollment in the trade since 1950.

"Our pupils don't want to learn a trade. They want to pass their bac and go to university," says Mr. Allanne. Yet it is only the best and brightest among the blind who can hope for a tuner's career. The blind need psychological toughness to handle the demands of traveling and meeting new people daily. Mr. Paillex does a good job of this automatically. "Despite all the bla-bla-bla, all blind people are musically gifted," says Nadia Issanchou, a blind writer who runs a blind musicians' union. "You can be too deaf as well as blind."

Various ideas are being tried out to keep the blind interested in tuning. Girls are being encouraged to train as tuners. Previously, Mr. Allanne says, girls were warned off of tuning for fear they would lack the strength to tighten the strings. Mrs. Issanchou remarks, "I won't be popular with feminists for saying this, but blind women, because of the psychology and education, often lack the ability to confront the world instilled in blind men."

Last fall, the first girl was admitted to the institute's tuner training program. "Alas," says Mr. Allanne, "she flunked out after three months. She could not hear the harmonics." Other female candidates are being encouraged, however.

The institute also welcomes foreign students.

In Paris now, blind free-lance tuners or those operating through piano stores control at least 75 percent of the tuning business. A leading piano store like Hamm employs only blind tuners, not just because the law obliges them to hire the handicapped, but also because the quality of institute training is so high. Yet the survival of tuning as a blind person's job depends on enrolling new students there.

Book authors who received the award were John Hammond, Edward Lewis, Maynard Solomon, Howard E. Smith and Jeff Todd Titon.

Fire in Chicago Cinema
CHICAGO, June 5 (UPI) — A fire last night in the Oriental Theater, one of the grand old movie houses in the Loop, sent about 2,400 patrons rushing through exits but caused no injuries and only moderate damage.

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BUSINESS

INTERNATIONAL
Herald Tribune

FINANCE

Published with The New York Times and The Washington Post
PARIS, TUESDAY, JUNE 6, 1978

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Emminger Sees Stable Dollar

MUNICH, June 5 (AP-DJ) — Although the dark spot of inflation still hangs over the dollar, the extent to which the U.S. currency has stabilized was shown in April and May, Bundesbank president Otto Emminger said.

How strongly the tide has turned can be seen from the fact that the Federal Reserve has been able to repay the Bundesbank significant amounts of the Deutsche mark credits it drew under a bilateral swap line during winter intervention in foreign exchange markets, he said.

The Bundesbank's net foreign currency position shrank by about 4½ billion DM during April and May, partly due to large capital exports, including conversion of foreign Deutsche mark loans and government payments abroad, he said. An international foreign exchange conference will be held in the weekend.

The central bank chief said the calming of the foreign exchange situation has also been reflected in the European currency "snake."

Terms Desirable Monetary Moves

Since the middle of May, the Deutsche mark has no longer been at the ceiling inside the snake, its customary place since last autumn. Also, he said, the 3 billion DM of inflows from other snake countries, which West Germany had to accept last November and December under the rules of the arrangement, were repaid in the first quarter this year.

Temporary? He said he could not answer the question of whether this recent improvement is temporary euphoria or a more lasting phenomenon.

He said considerations that must be taken into account: • The mood vis-à-vis the dollar is no longer dominated by dark

pessimism and gloom. He said U.S. officials had understood their willingness to defend the dollar by using their own reserves, including gold, monetary and fiscal policy actions, and giving the fight against inflation a higher priority.

The return of confidence has allowed other factors to be felt in a positive way, he said, such as the unwinding of abnormal "leads and lags" in import and export payments, and the large interest rate differential between Deutsche mark assets and dollar assets.

But, he said, there can be no doubt that in the longer run much depends on a solution in fundamental problems, such as the oil and inflation problems of the United States. He stressed these fundamental problems include a narrowing in the growth gap between the United States and its major trading partners.

"Inflation is the dark spot in this picture," he said. "It remains to be seen how soon the inflation differential vis-à-vis the countries with 'strong' currencies will be reduced, and whether it will always be sufficiently offset by the difference in interest rates."

Monetary Stability

Mr. Emminger also said that measures leading to more monetary stability in Europe, specifically a widening of the European unit of account (EUA), would be "highly desirable. Wider use of the EUA, which might even lead to a European parallel currency, is an interesting idea which should be examined thoroughly," he told the annual meeting of Association Cambiste Internationale, a world-wide group of foreign exchange dealers.

He dismissed, however, the possibility of an international monetary system of fixed rates or a fixed target zone vis-à-vis the dollar. "This is ruled out by the very size and volatility of liquid dollar funds in the world, and also by the very clear attitude of the American authorities on this point," he said.

But, Mr. Emminger said, a wider zone of currency stability in Europe is an idea that was given "a big boost" by the recent EEC summit conference in Copenhagen. Although he added that "the jury is not yet out on this idea, so I will refrain from going into details."

Mr. Emminger did, however, warn the dealers about pitfalls in widening European monetary stability.

By imposing exchange-rate stability before the underlying conditions are ripe, countries invite the risk of later balance-of-payments tensions and exchange crises inside Europe, he said.

Larger mutual credit lines may be appropriate, but they should not be automatic. They should be used as an incentive to foster adjustment of the underlying disequilibrium. He said, "one should not suffer from the illusion that one could, by large credit facilities, permanently plaster over fundamental disparities in price trade and growth performance."

A plan for closer monetary integration and exchange stability should not involve an unduly large expansion of national and international liquidity, Mr. Emminger said. He said ideas about how to expand European monetary stability are more of medium-term interest than a matter of immediate importance, but he said, "a journey of a hundred miles must also begin with a few first steps."

Capital Account Problem As for the United States, its capital account problem requires "bridging measures," such as using reserves and credit facilities to reduce and better finance the deficit, he said.

Although in the longer run the key to a sound dollar is a reduction of the abnormally large current-account deficit, what is overlooked is that "the U.S. also has a capital account problem," Mr. Emminger said. He said that a significant reduction of the current-account deficit would take time, but in the meantime, "the remaining deficits will have to be financed in an orderly manner." He said this requires a reversal of the U.S. capital balance from the previous net capital exports to net capital imports.

He said the total U.S. payments deficit of more than \$30 billion in 1977 was financed by foreign central banks, which accumulated record amounts of dollar reserves. However, it cannot be assumed that this method of financing will continue "in such extreme magnitude" in 1978, he said.

On intervention in foreign-exchange trading, Mr. Emminger said that for the last three years, EEC central banks have used a percentage-change scale to aid in determining disorderly markets for beginning such activities.

But he declined to reveal the exact percentage used in such determinations.

Seeking Currency Stability EEC Seen Adopting Monetary Accord

BRUSSELS, June 5 (AP-DJ) — West European countries are likely to adopt next month significant new monetary arrangements aimed at currency stability, experts here forecast.

The financial officers of the European Economic Community already are laying the groundwork for monetary arrangements that will be presented to the heads of EEC governments when they meet in July in advance of the economic summit in Bonn that month.

"I'd say the odds are better than 50 percent that new arrangements will be adopted," forecasts one diplomat. Observers will get an early indication of progress when EEC finance ministers meet June 19 in Luxembourg to seek agreement on technical details.

An informal group representing West German Chancellor Helmut Schmidt, French President Valéry Giscard d'Estaing and British Prime Minister James Callaghan has also been at work on a broad political strategy for currency stability. Most monetary experts in Brussels say the key is held by Mr. Schmidt because of West Germany's political and economic dominance of Common Market affairs.

Determination Unknown

Mr. Schmidt set off the current moves toward a European monetary union at a meeting of government leaders in Copenhagen this spring, but how determined he is to proceed still remains somewhat of a mystery.

Giscard d'Estaing, fresh from a strong political showing in the March elections, is viewed as a firm advocate of currency stability. Monetary experts

predict that France will formally link its currency to the Deutsche mark.

Weak economies and high rates of inflation make the currency stabilization efforts less attractive for Britain and Italy. But Exchequer Denis Healey recently suggested that Britain might be willing to go along, particularly if West Germany adopts greater growth measures.

"I haven't any doubts there'll be a currency agreement at Bremen (the next EEC government leaders meeting scheduled for July 6), but the issues is how far reaching it will be," says one monetary expert.

The Schmidt-Giscard-Callaghan committee is mapping the broad political approach that anticipates technical issues being resolved by finance ministers in June and a Bremen agreement in July. A number of possibilities have been developed, ranging from a return of the French franc, the lira and the pound to the current European currency arrangement, the "snake," including a major enlargement of EEC support arrangements, to a modest attempt to set flexible targets for the relation of the French franc, lira and pound to the Deutsche mark.

Another element is a broadened reliance of the European unit of account, the monetary unit based on a basket of EEC currencies currently used mainly as an accounting device for central bank and other community financial transactions.

None of the currency plans under consideration approach full economic and monetary union, which has been boldly talked of in the past. But the slim progress has persuaded European leaders to avoid excessive rhetoric and expectations this time.

Wall St. Prices Soar; Dow Index Up 16.29

NEW YORK, June 5 (Reuters) — Cash heavy institutions returned to Wall Street in force today to push prices sharply and broadly higher in active trading on the New York Stock Exchange.

One analyst said portfolio managers who had been waiting for a market pullback after the strong April-May advance apparently decided that "if it hasn't given ground so far, it's not going to." He added that behind their commitment was a feeling that news about inflation and interest rates "is not going to get any worse."

The Dow Jones industrial average jumped 16.29 points to finish at 863.83, its highest level since Sept. 8, 1977.

Advancing issues led declines 1,135-to-396.

Volume surged to 39.58 million shares from 31.86 million Friday. Institutional activity was evident in the gains by many blue chip and glamour issues. International Business Machines jumped six to 265½. Du Pont rose ¾ to 199½. General Motors, which reported a 15-percent rise in late-May car sales, gained 1¼ to 62¼ and American Telephone and Telegraph rose ¼ to 62½.

KLM Royal Dutch Airlines jumped five to 83½. Smithkline rose 2½ to 76½, active Spaulding rose 1½ to 32½. Xerox, second most active, gained 1¼ to 54½ and volume leaders Eastern Air Lines rose one to 11½.

Grumman, which received a \$272-million U.S. Navy contract for F-14 fighters added 1½ to 20½ in heavy trading.

Pet Up Sharply

Pet Inc. was a standout performer in active trading, soaring ¾ to 52½. IC Industries offered to acquire it for \$54 a share if Pet would drop plans to acquire Hardee's Food System. Hardee's fell 1½ to 17½ while IC gained ½ to 25½.

Continental Oil eased ¼ to 28½ after announcing it was abandoning its first well in the Baltimore Canyon. Gulf Oil was unchanged at 23½ and Cities Service rose ¼ to 52½. They are partners with Conoco in the block.

Measures was a big percentage gainer adding 2½ to 27½ after it said it received a substantial contract from Base Cascade, although it did not specify the amount.

Also active were Digital Equipment, up two to 51¼, Polard Corp., up ¼ to 40½, K-Mart, up ½ to 26, Boeing, up 2½ to 52½ and Eastman Kodak, up 1½ to 58.

Prices also rose on the American Stock Exchange. The market-value index gained 0.88 to a record 145.84 May 22. Volume rose to 4.43 million shares from Friday's 3.76 million and advances led declines 437-to-258. The average price per share rose seven cents.

Reuter's International "A" gained 3½ to 3½, volume leader Syntax picked up ½ to 29½ and active U.S. Filter rose ¼ to 15½.

In Chicago, wheat, corn and soybeans closed substantially higher and oats mixed on the Board of Trade.

Wheat was up 5 to 7½ cents; corn up 3 to 3½; oats off ½ to up 2½; and soybeans up 3¼ to 12¼.

Ecevit Reaches Accord With Banks on Debt

WASHINGTON, June 5 (Reuters) — Turkey has reached an agreement in principle with New York banks on rescheduling its debt. Prime Minister Bülent Ecevit said today.

He declined to say how much of the nation's outstanding is covered under the agreement or to provide further details. His comments were made after a 45-minute meeting with Treasury Secretary Michael Blumenthal.

Turkey's short-term debt was recently estimated at \$5-to-6 billion, including \$1.6 billion owed to international agencies or government bodies.

Copper Production Resumed in Zaire

KINSHASA, June 5 (Reuters) — Zaire said it had resumed copper mining in Kolwezi and has exceeded production levels achieved before last month's rebel insurgency there.

The official morning newspaper Salongo said open pit mines, which produce three-fourths of Kolwezi's copper, were restarted last Thursday and were producing 13,000 metric tons of ore a day, up from 10,000 prior to the invasion.

Underground mines had been pumped dry and would resume operations within three weeks, the paper said.

11-Nation Group Extends New Loans To Pakistan

PARIS, June 5 (AP-DJ) — An 11-nation consortium has approved new loans of \$800 million to \$900 million for Pakistan for the fiscal year beginning June 30.

However, Pakistan still must find \$250 million, to \$300 million by July 1 to repay its foreign creditors. The consortium, the 11 countries forming the consortium extending the new loans, are the United States, Italy, Belgium, the Netherlands, Sweden, France, West Germany, Britain, Japan, Canada and Norway and the World Bank.

Originally the group planned to offer Pakistan only \$700 million. But officials said consortium members bowed to Pakistan's demand for a larger credit line because of its economic plight.

Compulsory Deposits Raised

ISLAMABAD, June 5 (AP-DJ) — The Pakistan government announced today it is increasing in the size of cash deposits which for-

Dollar Advances Against Europe Funds; Yen Up

LONDON, June 5 (AP-DJ) — The dollar gained ground against most major European currencies today, reversing last week's downward course, but it fell in relation to the yen.

U.S. Assistant Treasury Secretary Fred Bergsten said the 1978 first-quarter trade deficit of \$11.2 billion would represent "the peak deficit which the U.S. is likely to experience" for a New York address, he noted the U.S. trade position should improve because the energy bill is coming close to passage by Congress, relative growth rates among other nations are beginning to converge with the U.S. growth rate and U.S. competitiveness has improved as a result of the dollar's decline.

After starting off lower in Far Eastern and European trading, the dollar turned around and quickly gained upward momentum in "panicky" trading, dealers said. The dollar's most impressive gain of the day was a 3.1 percent rise against the Swiss franc to 1.9395 francs — its best level in a week — from 1.8820 francs late Friday.

Against the Deutsche mark, the dollar fell to an intraday bottom of 2.0765 DM before finishing at 2.0940 DM, up 125 pence. But one Japanese trader said that "confidence in the dollar just disappeared" as the dollar sank to an intraday low of 219.15 yen before gaining to finish at 220.70 yen for a loss of 43 points in hectic trading.

Yamani Sees Steady Prices On Oil in '78

RIYADH, June 5 (AP-DJ) — Oil prices will remain frozen for the rest of 1978 but after December, price increases are in the best interest of the West, Saudi Petroleum Minister Sheikh Ahmed Zaki Yamani says.

Mr. Yamani, who will join other oil ministers from the Organization of Petroleum Exporting Countries in Geneva June 17 for the regular mid-year OPEC meeting, said yesterday that Saudi Arabia will, as it did last December, oppose calls by Algeria, Libya, Iraq and other OPEC members for a price increase this year.

Acknowledging his country's dominant role in OPEC, Mr. Yamani said: "I can say the freeze won't be lifted." Oil prices have been frozen since last July. But he did not make any such promise for 1979 and beyond. In an interview, he said gradual price increases over the next several years are necessary to protect the industrial West from a sudden, sharp jump in oil prices in the mid-1980s, when the current oil surplus is expected to become a shortage.

Gold Declines by \$2 LONDON, June 5 (Reuters) — Gold closed more than \$2 weaker at \$182.75-183.25 an ounce, down from the previous finish of \$184.80-185.20 but little changed from today's afternoon fix of \$183.05, dealers said today. Turnover was light.

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This advertisement appears as a matter of record only.
May, 1978



CANADA

DM 1,500,000,000

comprising

DM 600,000,000 4½% Notes of 1978/1983
DM 500,000,000 5 % Notes of 1978/1984
DM 400,000,000 5 % Loan of 1978/1982

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Deutsche Bank
Aktiengesellschaft

NEW YORK, June 5, 1978 — Cash prices in primary markets as registered today in New York were:

Commodity and unit	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75

COMMODITY INDEXES
Moody's Index 100 Dec. 31, 1971
June 5, 1978

Commodity	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75

U.S. Commodity Prices

Commodity	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Commodity	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Commodity	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Commodity	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Commodity	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Commodity	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75

EUROPE'S FINEST JEWELLERS
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CARRARD, 112 Regent Street
GRAFF, 55 Brompton Road
PARIS: ALDEBERT, 1 Bd de la Madeleine
8 Rue du Fbg St Honoré
Palais des Congrès C.I.P.
CLERC, 4 Place de l'Opéra
FRED, 6 Rue Royale
ROME: BEDETTI, 11 Piazza San Silvestro
BULGARI, Via Condotti
ZURICH: GUBELIN, 36 Bahnhofstrasse
LES AMBASSADEURS, 64 Bahnhofstrasse
MEISTER, 33 Bahnhofstrasse

Commodity	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75

COMPAGNIE FINANCIERE DE SUEZ

At the annual general meeting of May 23, 1978, the shareholders approved the accounts, as well as the balance sheet for the fiscal year 1977.

The dividend to be distributed has been set at Fr. 1.7 per share. This dividend, being paid on 10 per cent higher capital, thus, has been increased by 10%.

Payment will be made against remittance of coupon n° 35 from Monday, June 5, 1978.

In this address to the shareholders, Michel Caplain, chairman of the company, recalled that, even if the political outlook in France has become brighter, economic and social problems still remain. French economic policy has to be carried out in a difficult international and domestic environment.

As far as international field is concerned, it is not a question of overcoming a temporary difficult situation but of coping with a radical change due to energy price disruption and to a new international division of labor.

M. Caplain also pointed out that a revival of the French economy should be based on the liberalization of prices and on a larger body of shareholders.

With regard to the Suez group, M. Caplain said that consolidated income in 1977 amounted to Fr. 400 million against Fr. 381 million in 1976. This is equivalent to Fr. 45 per share against Fr. 43.15 in 1976. Financial revenues for 1978 appear to be favorable.

The estimated value of the Suez share on March 31, 1978, calculated according to the usual procedures of the company, amounts to about Fr. 550.

Commodity	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Commodity	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Commodity	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75

IAC LIMITED

45 St. Clair Ave. West, Toronto, Canada

Consolidated Balance Sheet
as at December 31, 1977
Canadian Dollars

	1977	1976
Assets		
Cash and Marketable Securities	\$ 31,834,000	\$ 91,305,000
Receivables		
Sales financing	1,050,801,000	1,052,444,000
Leasing	710,753,000	710,217,000
Consumer loans	178,086,000	203,709,000
Residential mortgages	258,936,000	248,880,000
Commercial loans	277,355,000	83,590,000
Other	5,203,000	6,674,000
Allowance for doubtful receivables	\$2,481,134,000	\$2,305,514,000
Investments in Non-Consolidated Subsidiary and other companies	9,651,000	16,581,000
Other Assets and Deferred Charges	39,149,000	20,623,000
	\$2,536,484,000	\$2,409,966,000

	1977	1976
Liabilities		
Borrowed Funds		
Short Term	\$ 642,334,000	\$ 621,162,000
Other Term	1,038,505,000	924,785,000
	\$1,680,839,000	\$1,545,947,000
Payables	107,967,000	102,002,000
Unearned income	331,083,000	375,588,000
Other deferred credits	165,648,000	152,668,000

	1977	1976
Shareholders' Equity		
Capital Stock		
Preferred shares	16,268,000	16,623,000
Common shares	51,451,000	51,028,000
	\$ 67,719,000	\$ 67,651,000
Retained Earnings	183,228,000	166,110,000
	\$ 250,947,000	\$ 233,761,000
	\$2,536,484,000	\$2,409,966,000

	1977	1976
Highlights for the Year		
Gross Income	\$ 260,236,000	\$ 269,226,000
Amounts taken up by		
Cost of borrowed money	\$ 130,163,000	\$ 135,265,000
General and administrative expenses	\$ 63,866,000	\$ 62,231,000
Income taxes	\$ 25,051,000	\$ 29,141,000
Earnings applicable to common shares	\$ 33,628,000	\$ 31,341,000
Dividends paid on common shares	\$ 15,994,000	\$ 15,440,000
Proportion of earnings	47.6%	49.3%
Average number of common shares outstanding	13,551,871	13,543,285
Earnings per share	\$2.48	\$2.31
Dividends paid per share	\$1.18	\$1.14
Per cent return on average common equity	14.92%	14.99%

	1977	1976
At the Year End		
Number of common shareholders	11,589	11,307
— domiciled in Canada	96.1%	95.9%
Number of common shares outstanding	13,573,643	13,544,033
— owned in Canada	96.7%	96.5%

IAC LIMITED
Money in action
1925-1977

Directors
Joseph S. Land
Toronto, Ontario
Chairman of the Board
Douglas W. Maloney
Toronto, Ontario
President
Stanley F. Melloy
Toronto, Ontario
Executive Vice-President
Peter F. Bronfman
Montreal, Quebec
President, Edper Investments Ltd.
Stanley D. Clarke
Montreal, Quebec
President, Clarke Transportation
Canada Ltd.
Ronald L. Cliff, C.A.
Vancouver, British Columbia
Chairman
Inland Natural Gas Co. Ltd.
Harold Corrigan, C.A.
Toronto, Ontario
President, Alcan Canada
Products Limited
George L. Crawford, Q.C.
Calgary, Alberta
Associate, McLaws & Company
Pierre Des Marais II
Montreal, Quebec
President, Pierre Des Marais Inc.
William A. Dimma
Toronto, Ontario
President, Torstar Corporation
James P. Foster
Toronto, Ontario
President, Hugh Russell Inc.
Geno F. Francolini, F.C.A.
Tillsonburg, Ontario
President & Chief Executive Officer
Livingston Industries Limited
Peter Kilburn
Montreal, Quebec
Honorary Chairman
Greenshields Incorporated
Helen L. Margison
Toronto, Ontario
President, Shed Investments Limited
Cat N. Moisan
Montreal, Quebec
President and General Manager
Standard Paper Box Ltd.
Lyndon E. Nichol
Rancho Santa Fe, California
Retired, former Chairman of
the Board, IAC Limited
Edmond G. Odette
Toronto, Ontario
President, Eastern Construction
Company Limited
John A. Rhind
Toronto, Ontario
President, Confederation
Life Insurance Company
L. Edmond Ricard
Montreal, Quebec
President, Imperial Tobacco Limited
Struan Robertson
Halifax, Nova Scotia
President & Chief Executive
Officer, Maritime Telegraph
and Telephone Company Ltd.
C. Harry Rosier
Toronto, Ontario
President, Abitibi Paper
Company Ltd.
Franklin K. Spragins
Edmonton, Alberta
Consultant
Jacques Tetrault, Q.C.
Montreal, Quebec
Partner, Courtois, Clarkson,
Parsons & Tetrault
Adam H. Zimmerman, F.C.A.
Toronto, Ontario
Executive Vice-President
Noranda Mines Limited
elected since December 31, 1977

Commodity	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
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Commodity	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
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COFFEES							
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Commodity	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
COFFEES							
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COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Commodity	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
COFFEES							
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Cocoa Beans, lb.	1.75	1.75	1.75	1.75	1.75	1.75	1.75

1 Figures in French francs per metric ton				
June 5, 1978				
	High	Low	Close (Bid-Ask)	
25 SUGAR				
47 Aug	N.T.	N.T.	880	925
47 Oct	910	927	908	910
50 Jul	937	923	925	927
50 Nov	N.T.	N.T.	925	930
50 Dec	952	948	948	950
51 Mar	N.T.	N.T.	960	970
51 May	N.T.	N.T.	990	1000
51 Jun	N.T.	N.T.	1,002	1,018
64 150 lbs.				
64 COCOA				
209 Jul	N.T.	N.T.		1,540
209 Sep	1,410	1,385	1,291	1,299
209 Dec	1,240	1,240	1,239	1,235
209 Mar	N.T.	N.T.	1,318	1,325
209 May	N.T.	N.T.		1,320
209 Jun	N.T.	N.T.		1,205
209 165 lbs.				
209 Aug				
209 Oct				
209 Dec				
209 Mar				
209 May				
209 Jun				

[illegible]

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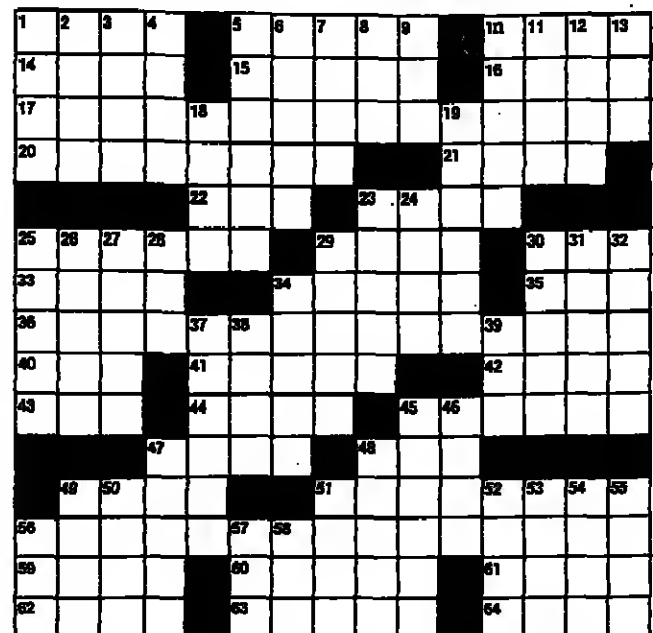
30. See what the home office has to say.
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Gaulle, 92200 Neuilly-S/Seine.
Tel.: 747-12-65. Telex: 612832.

CROSSWORD

By Eugene T. Maleska



- ACROSS**
- Asian desert
 - Fabric with a tartan pattern
 - Transport
 - Inky
 - Weight unit
 - Berlin product
 - Home of the Cornhuskers
 - Soapstone
 - Tooth tapers
 - Pronoun
 - Routine writer
 - Savonarola's alleged offense
 - Truman's favorite animal
 - Novak or Bunter
 - Tract
 - Stupors
 - Purse item
 - City surrounded by a great natural-gas field
 - Hoosier fabulist
 - Moderately pungent plant
 - Vehicle parked at an igloo
 - Delhi
 - Hyde was its first president
 - Blotches
 - A.E.F. man
 - Arch
 - Hawthorne subject
- DOWN**
- Cogulantes
 - Newspaper
 - Costa or maxilla
 - Pizarro's victim
 - Form of government
 - Famed thespian duo
 - Last Stuart ruler
 - Kind of age or beg
 - Society-page girl
 - What some hunters do
 - Outer covering
 - Printery supplies
 - soup
 - Patriot of '76
 - Sinus
 - Gardeners need
 - "a sense of —"
- PEANUTS**
- Luggage item
 - G.O.P. birthplace, 1854
 - Roman emperor
 - What Trollope did
 - Barcelona bull
 - Homophone for bin
 - Tavern order
 - Hecklers' missiles
- BLONDIE**
- Jai —
 - Plotter exposed by Esther
 - Break down bit by bit
 - Give fresh vigor to
 - Attention
 - Fraternized order
 - Australian marsupial
 - Secret
 - Alcoholic drinks
 - Supermarket worker
 - Vast amounts
 - go bragh!
 - Verb suffix, British style
 - Dell device
 - Invented story
 - Region in Robert W. Service's poems
 - Set of furniture
 - Kismet
 - Years
 - Urban problem
 - Quote
 - Excited
 - Marionette man
 - Son of Seth
 - Something needed by millions of Americans
 - Bookend of Australia
 - F.D.R. agency
- BEEBLEBAILEY ANDYCAP**
- LT. FLAP SURE LIKES TO DRESS UP
 - YES, SIR! HE HAS AN OUTFIT FOR EVERY OCCASION!
 - MY MEMORY'S BEEN TERRIBLE LATELY
 - MINE TOO
 - THERE MUST BE A WORD FOR PEOPLE WHO CAN'T REMEMBER NAMES
 - THERE IS, BUT I CAN'T REMEMBER IT!
 - I RECKON I'M FIGHTIN' A LOSIN' BATTLE IN THIS 'CASE' AS FAST AS I GET ONE BILL PAID ANOTHER ONE COMES THROUGH THE LETTER-BOX. I'M AT ME WITS' END.
 - I KNOW, PET, I STAY AWAKE NIGHTS THINKIN' ABOUT IT
 - YOU'D DO BETTER IF YOU STAYED AWAKE DAYS, MATE!
 - NOW, NOW, PET, YOU KNOW WHAT THE DOCTOR TOLD YOU, WHY DON'T YOU HAVE A LITTLE LIE DOWN?

WEATHER

ALGARVE	C	F	FAIR	MADRID	C	F	CLOUDY
AMSTERDAM	36	48	Overcast	MIAMI	36	48	Cloudy
ANKARA	16	61	Overcast	MILAN	36	48	Cloudy
ATHENS	27	81	Fair	MOSCOW	27	81	Cloudy
BELGRADE	27	81	Fair	MUNICH	27	81	Cloudy
BERLIN	27	81	Fair	NEW YORK	27	81	Cloudy
BUDAPEST	27	81	Fair	NICE	27	81	Cloudy
CASABLANCA	27	81	Fair	PARIS	27	81	Cloudy
COPENHAGEN	27	81	Fair	PRAGUE	27	81	Cloudy
COSTA DEL SOL	27	81	Fair	ROME	27	81	Cloudy
DUBLIN	27	81	Fair	STOCKHOLM	27	81	Cloudy
EDINBURGH	27	81	Fair	TEHRAN	27	81	Cloudy
FLORENCE	27	81	Fair	TEL AVIV	27	81	Cloudy
FRANKFURT	27	81	Fair	TUNIS	27	81	Cloudy
GENEVA	27	81	Fair	VIENNA	27	81	Cloudy
HAMBURG	27	81	Fair	WASHINGTON	27	81	Cloudy
ISTANBUL	27	81	Fair	ZURICH	27	81	Overcast
LAS PALMAS	27	81	Fair				
LONDON	27	81	Fair				
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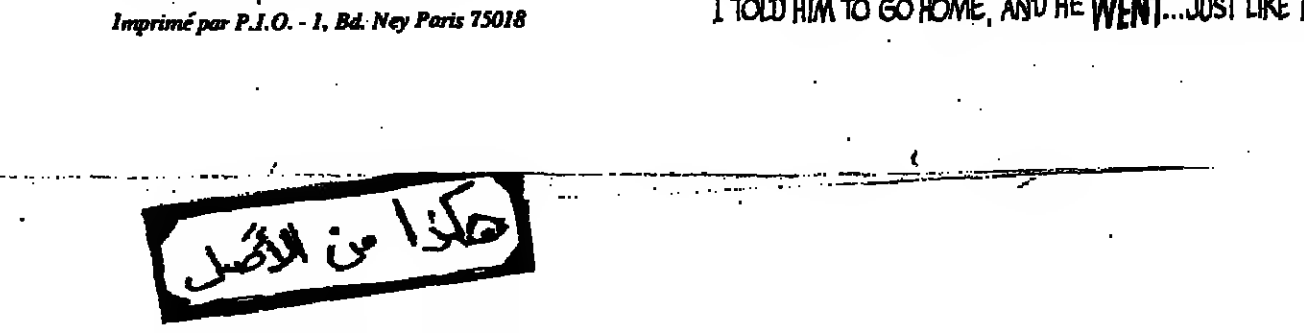
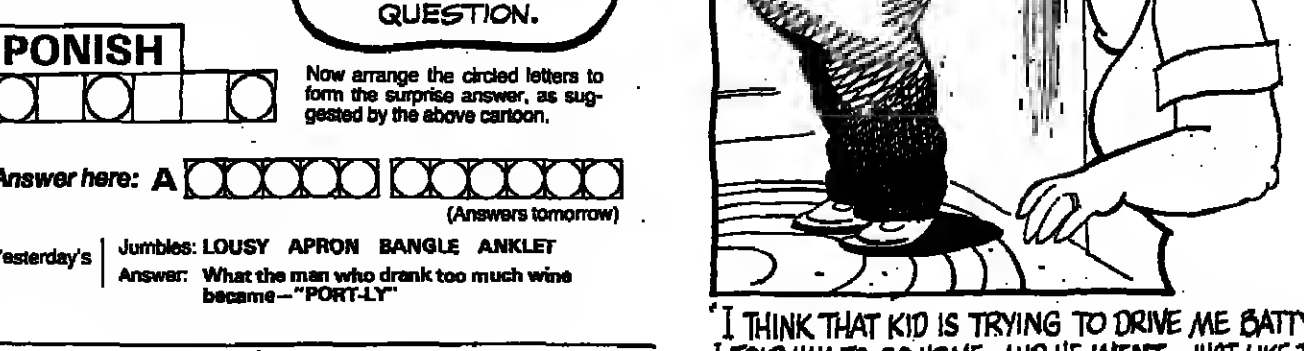
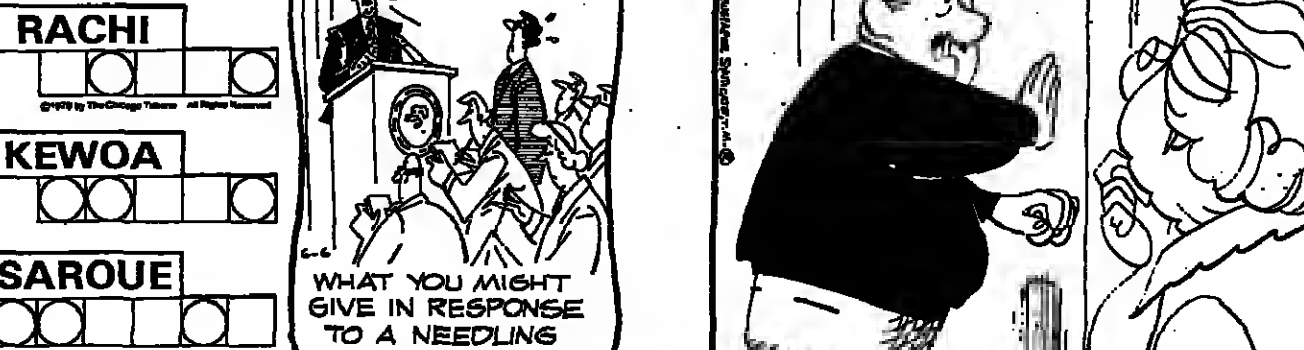
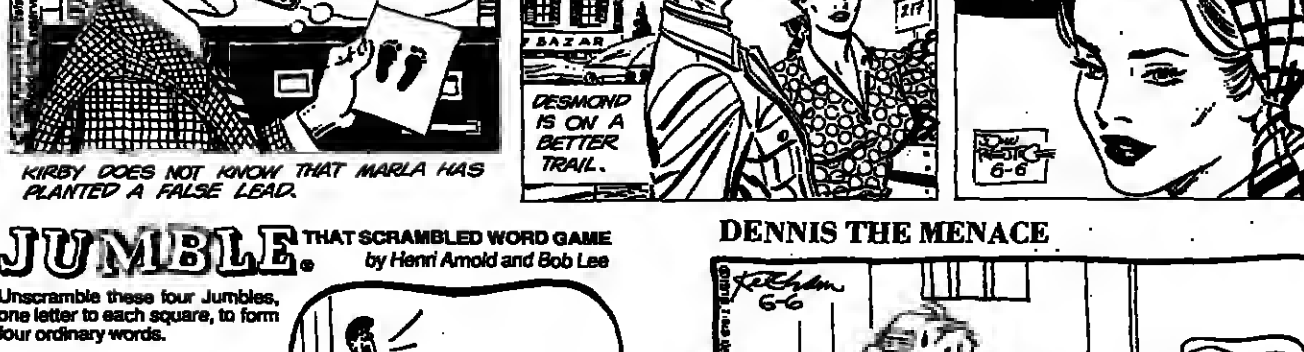
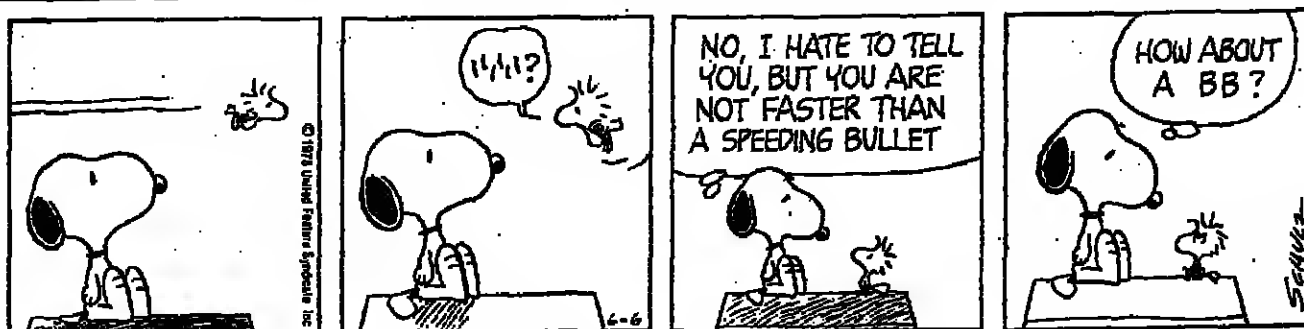
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BOOKS

JESUS THE MAGICIAN

By Morton Smith. Harper and Row. 210 pp. \$12.95.

Reviewed by John Dart

THAT Jesus of Nazareth was a faith healer and an exorcist and that some opponents thought he possessed an evil spirit named Beelzebub, few knowledgeable Christians would deny. It's there in the New Testament.

That the works and ministry of Jesus can be understood best as those of a first-century magician will undoubtedly meet great resistance among those for whom the nature of Jesus matters most.

Morton Smith, a Columbia University historian at home in New Testament studies and Hellenistic literature, nevertheless amasses significant evidence from pro- and anti-Christian sources of antiquity plus parallel lore from Greek magical papyri to support his case.

Jesus is subject to endless analyses, much of them just as well forgotten. But Smith's picture of Jesus the magician is not likely to vanish like so many theories of a more speculative type.

Unlike Hugh Schonfield ("The Passover Plot" and others), Smith uses many primary and secondary sources and tests his research in demanding scholarly circles. If Smith is somewhat of a maverick, it is because of his relative adventurousness in reaching conclusions and broaching possibilities.

Smith first suggested that Jesus functioned as a magician in two books published in 1973, "The Secret Gospel" and its scholarly version, "Clement of Alexandria and a Secret Gospel of Mark." They dealt primarily with part of a letter he discovered in 1958 in a desert monastery south of Jerusalem.

Written on the back pages of a 17th-century volume, the letter purported to be a copy of a letter by Clement of Alexandria, a second-century churchman who told of portions of the Gospel of Mark which were "read only to those who are being initiated into the great mysteries."

Some scholars were frankly skeptical about the authenticity or alleged earliness of the "Secret Gospel." Many have scoffed at Smith's theories which arose from the text's study — that Jesus the magician initiated followers in a seventh-night baptismal rite which involved a hallucinatory ascent to the heavens. Smith's hints of erotic overtones and that a Christian libertine tradition originated with Jesus himself also drew fire from scholars.

In his new book, Smith concentrates almost totally on his thesis that Jesus was a magician. Magicians were apparently a well-known phenomenon in and around Palestine. In the New Testament Acts of the Apostles, the reader meets two magicians whose powers are no match for the power of Jesus as inherited by the apostles. Simon Magus of Samaria reportedly was dazzled by the exorcisms, healings and preaching of the apostle Philip and, as a result, became a believer. (Later church fathers, however, regarded Simon as a "bad Samaritan," as it were, for supposedly starting the Gnostic heresy.)

The Acts of the Apostles also

tells of a "certain magician, a Jewish false prophet, named Bar-Jesus," who was close to a procurator in Cyprus. The apostle Paul said to be filled with the Holy Spirit, it is pitted against this magician for the belief of the procurator, calling him "son of the devil." Paul curses Bar-Jesus with temporary blindness and wins the day with the Roman official.

Smith cautions that while these accounts and those in the gospels may not be historically reliable many times, the more important consideration is the ambivalence way that New Testament authors handled accusations — of magic against Jesus and how other magicians were pictured. Jesus' curing of demons and cursing fig trees, stories of walking on water and the use of Jesus' name to work wonders were not denied by the early church, but explained as the works of the son of God.

The author is not suggesting that Jesus was a faker or pursuing a disreputable career. Moreover, the distinction made by some liberal scholars between the "Christ of faith" and the "Jesus of history" is a gross exaggeration, Smith says. It wasn't just the later church which saw Jesus as divine, he says. The evidence requires one "to recognize the possibility that one of the first to believe in 'Jesus the Christ' was Jesus himself." In popular thought then, "son of God" and "magician" were practically interchangeable terms, he asserted.

Yet, whether Jesus called himself the Messiah is another matter. Some early Christian texts from the Nag Hammadi Library, discovered in 1945, specifically the Gospel of Thomas, the Dialogue of the Savior and the Apocryphon of James, do not use the title Messiah-Christ at all for Jesus.

Smith once said privately that he did not cite much material from the Nag Hammadi Library because of its many Gnostic texts — which would have provided ammunition in Smith's mind, for critics to dismiss his research.

"Jesus the Magician" already has ammunition for conservative critics. Smith gives some credence to opponents' charges that Jesus was the illegitimate son of a Galilean peasant woman by a Roman soldier named Pantera.

Smith also traces magical elements in the Lord's Prayer and calls the Eucharist "an unmistakably magical rite." Drinking the blood and eating the body could not derive from the Jewish Passover seder, Smith says, but it fulfills magical tradition as the way in which the magician-priest would unite followers with him in love.

"Jesus' resurrection, ascension and miscellaneous post-resurrection activities belong to the psychopathe histories of his disciples. These histories must have been shaped by their experiences with Jesus," Smith writes. A hunt way to say what some scholars say more circumspectly and what skeptics say inarticulately — for much hazier reasons.

John Dart is a religion writer for The Los Angeles Times and author of "The Laughing Savior."

Los Angeles Times

Desai Leaves on Trip To Europe and U.S.

NEW DELHI, June 5 (AP) — Prime Minister Morji Desai left today on his longest journey since assuming office.

Mr. Desai, 82, will meet top officials of the European Economic Community, Belgium, Britain and the United States before returning to India June 17.

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BRIDGE

By Alan Truscott

On some occasions, a defender can judge at an early stage what problem the declarer will have to face, and prepare his counter-measures. A striking example is the diagramed deal.

South opened four spades with a hand on which most experts would be content to bid three spades. North raised to six spades, reaching a slam that would have been easy if South had held the eight-card suit that his bid suggested. As it was, South needed to do a little guessing to make 12 tricks: To avoid a club loser he needed to score two diamond tricks without losing two tricks in that suit.

West led the heart king, which was taken by dummy's ace. South saw that he would have to guess the diamonds eventually. He decided to postpone the decision by running five rounds of trumps. West and dummy threw three hearts, while East gave up both his hearts and a club. The position was now this:

NORTH			
♠A4	♥A876	♦K1093	♣AK5
WEST			
♠A75	♥KQ1054	♦A875	♣J10
EAST (D)			
♠KQJ10982	♥J	♦Q42	♣Q873
SOUTH			
♠KQJ10982	♥J	♦Q42	♣Q873
WEST			
♠A75	♥KQ1054	♦A875	♣J10
EAST (D)			
♠KQJ10982	♥J	♦Q42	♣Q873

Both sides were vulnerable. The bidding: East Pass South Pass West Pass North Pass

When South won led the diamond queen, West was ready: He

Imprimé par P.J.O. - 1, Bd. Ney Paris 75018

حکذا من الأصل

Art Buchwald

Better Postage

WASHINGTON — While many people have complained about a first-class stamp going up from 13 cents to 15 cents, the U.S. Postal Service is very proud of it.

I talked to one of the men who developed the 15-cent stamp and he considers it one of the greatest breakthroughs in mail delivery since the invention of the zip code.

"For years we've dreamed of a 15-cent stamp but it is one thing to have the concept and another to make it a reality. Ever since I saw the stamp, I've wanted it working day and night to develop one according to their needs."

"What specifically did they want?"

"They said they wanted a stamp lighter in weight so we could get more letters on an airplane. At the same time it had to take a beating from hail and snow and sleet. The stamp also had to be flexible enough to bend when it was bought in rolls instead of sheets. And the most important requirement was that it could not be used again when the post office failed to cancel it."

"How did you solve the last problem?"

"That was the most difficult," he said. "The post office has been losing about \$10 million and \$20 million a year because when people get a letter with a stamp that was not canceled they steamed it off and used it again. This is a federal crime, but very few federal attorneys will prosecute."

"They say it is too difficult to

find a jury that will convict someone for recycling a postage stamp. So the people upstairs told us we had to come up with a stamp that couldn't be used twice. It wasn't an easy assignment. The first thing we developed was a glue with an explosive base. When a person tried to pry off an uncanceled stamp from a letter, the stamp would blow his hand off. We thought we had the solution but the Occupational Safety and Health Administration raised objections so we had to go back to the drawing board."

"That was tough luck," I said, "because it would have done away with the crime."

"Then we came up with a blue dye. If you tried to get the stamp off the envelope you would be covered in blue dye, and then our postal inspectors would be able to make a foolproof arrest."

"The people upstairs didn't go for that."

"They did, but the postal workers kept getting the dye all over their clothes and wanted the service to pay for new uniforms."

"What was the answer?"

"A secret glue that makes it impossible to steam the stamp off. It self-destructs if anyone tampers with it after it has been stuck on an envelope. It's the biggest breakthrough since the invention of air mail."

"Will the new 15-cent stamp speed up the delivery of mail?"

"I should hope so. With less weight and more stable corners, our new 15-cent stamp could break the record from New York to Washington by 45 minutes. A first-class letter can now get to any place within 300 miles in less than four days."

"That soon?" I said in amazement.

"Our only problem at the moment is that many people are putting the old 13-cent stamp and two 1-cent stamps on their letters. That will slow delivery down for a while. But once there are enough 15-cent stamps in circulation, you'll never have another complaint about the postal service again."

"There is a rumor that you people are now working on a 20-cent first-class stamp that would make the 15-cent stamp obsolete in another year."



Buchwald

'Oil is not thrust under your nose here. I think I've only seen two Stetsons, and they were worn by Scotsmen. A lot of the Americans wear kilts.'

Aberdeen: A Boom Town at Age of 600

By Fred Bridgland

ABERDEEN, Scotland. (Reuters) — Aberdeen is Britain's only boom city. It is Europe's oil capital, and its young businessmen dream that it will grow to rival Houston.

Down by the harbor, crammed with brightly painted vessels which ferry supplies non-stop to oil rigs off the chilly waters on the North Sea, is a very ordinary looking newspaper shop.

Ordinary, that is, except for its name. The shop sign proclaims in huge capitals "Bonanza": That is the name of the game here with Aberdeen prospering as more and more British North Sea oil fields are opened. Oil from the ninth field began pumping ashore in April and by the early '80s Britain will be self-sufficient in supplies of the precious liquid.

Aberdeen is, however, taking its prosperity quietly. The city is six centuries old and has deep, solid traditions based on the church, its 500-year-old university and a deep-sea fishing industry which is now in acute depression.

It has none of the brasserie or ramshackle rawness of a new Broken Hill, Klondyke or Kimberley. The visitor looking for tell-tale signs of moral decay has a difficult time. There are no obvious wild gambling parlors or brightly lit brothels where rig workers and divers, ashore from hard-working shifts on the North Sea, can spend their fat wage packets.

Contrary to the legend which has grown, Aberdeen's sober

streets, lined with granite buildings, are not thronged by Texans wearing Stetsons.

"Oil is not thrust under your nose here," says Tony Barker, a pin-striped English oil executive who is the representative in Aberdeen of the Phillips-Pye offshore group. "I think I've only seen two Stetsons, and they were worn by Scotsmen. A lot of the Americans wear kilts."

Little America

But the presence of 6,000 Americans associated with the oil business is noticeable among the 215,000 Aberdonians. Just outside the city they have their own country club. "It's their little part of America, a retreat from the natives," says Barker.

The city's American school has more than 500 pupils and the new Sheraton Hotel, owned by an American who lives in a 300-year-old castle in the Scottish highlands, has clocks which show Houston time as well as the time in Scotland.

Spence Rae, once a barely-kept grocery shop selling traditional Scottish working-class fare like minced beef, bannocks and scones, has become Spence Rae's American Food Store. On a weekday, the aisles there are crowded with 3,000 miles across America from Boston Harbor to San Francisco's Golden Gate. It is almost certainly the only shop in Scotland advertising ice cubes for sale in mid-winter.

Executives from Italy, France,

Holland and West Germany are also cashing in on Aberdeen's oil boom. Many gather in city hotels and bars when they are not working at the offices of 17 international oil companies with North Sea headquarters here. Some companies have moved into modernized stately Victorian granite houses while others have built skyscrapers for themselves.

Getting Rich

Other Aberdonians, than Spence Rae are getting rich, too. A familiar sight on Union Street, the sedate main commercial area, is Ian Maitland's white Rolls-Royce.

Maitland, 35, runs one of the most profitable offshore supply companies in the city, procuring a wide range of goods for oil companies on short notice. After building up a large office cleaning business, based mainly on oil company offices, Maitland started his new business just two years ago and in his first year turned over more than \$1 million.

"The early boys in the business were Americans," says Maitland, who left school at 15. "It all seemed very high-powered. But I realized it was a circus."

"There was no reason why a Scot shouldn't get a slice of the action."

Maitland's big break came when an oil company asked if he could provide thermal underwear and protective clothing for 1,500 rig workers within a week. "I didn't know a thing about

supplies, but I went to the people who did know," he says. "I made it in time and gave the company a sense of urgency and quality about myself."

Zero Unemployment

Aberdeen, now the only area of Britain where there is virtually zero unemployment, had in the past many jobless. Many young men headed south to England to find work.

Maitland is now setting up a new company to challenge the traditional American stranglehold on the manufacture of drilling tools and other high quality oil-engineering products.

It is this kind of enterprise and confidence that the young professional Aberdonians who run the city's Junior Chamber of Commerce want to encourage to ensure that Aberdeen continues to boom after the oil reserves are exhausted at the beginning of the next century.

Sidney Barrie, a lawyer in his thirties, has been appointed by the chamber to head a team working out how Aberdeen can become a permanent oil center.

"The real oil future is in engineering," he says. "If we can manufacture oil tools we have a greater chance of being regarded as an oil center, not just as a supply and service base."

"We've built up an expertise here. Though it was first imported from America, we don't want it to be lost. At the moment the giant Middle East oil fields are serviced from America. Why not from here? It's a lot nearer."

"There's no reason we shouldn't become another Houston."

PEOPLE: Anita Bryant, Husband Plan Therapy Centers

Singer Anita Bryant and her husband Bob Greene say that they plan to open a series of counseling and therapy centers for homosexuals throughout the United States. The first one will be opened in Miami, but no date has yet been set. In preparation for the project, Miss Bryant — who has led a nationwide campaign against acceptance of homosexual practices — is currently meeting at her home in Miami with six persons described as experts on homosexual counseling. Her plans drew quick condemnation by Miami homosexual rights leader Robert Kunst who said, "She needs more counseling than anybody." But Greene said he and his wife decided on the centers after receiving thousands of letters from homosexuals "who are beginning to realize that there is a way out of this thing for them." "Ultimately we hope to have ranches and farms so that they can change the lifestyles they've become addicted to," Greene said.



Anita Bryant

first in Miami.

Chemist Linus Pauling says that his theories on the medical value of vitamin C are ridiculed because they challenge myths that have dominated health sciences for decades. Pauling, a Nobel Prize winner, has championed vitamin C to help prevent and treat cancer, colds and other ailments. Pauling said at a symposium, "Nutrition and Health: Myths and Realities," in San Francisco that many recognized authorities on nutrition have publicly derided the value of vitamin C, and many physicians and scientists have criticized his theories. "In many fields you have to wait until the old professors have died off and a younger generation takes over," he said. He said research is now beginning on the vitamin's effects. New research is being funded by the National Cancer Institute, which also is studying whether massive doses of the vitamin might cause cancer.

which derive from religious teachings. Kugler, a business associate of Anne Frank's father, hid the Franks and four other Jews in an annex of his office. They were discovered in 1944 and sent to concentration camps, where all but Anne's father, Otto, died.

The "goat," or last cadet on the graduating list at the U.S. Military Academy, has gone the way of the Army mule, a victim of military progress. Reforms instituted in the wake of the 1976 cheating scandal include elimination of the general order of merit, or academic ranking by class. Authorities felt that the honor accorded the goat, who was traditionally cheered and rewarded with a sack full of money, showed contempt for excellence. This year, therefore, except for a few distinguished graduates who will be singled out, cadets will be called up alphabetically.

Princess Grace of Monaco has flown into Dublin from Paris on a four-day private visit to view Irish gardens. Her husband, Prince Rainier, arrived on a separate flight. The American-born princess is accompanying members of the Garden Club of Monaco, of which she is president.

—SAMUEL JUSTICE.

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